



# ***Daily Report***

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## **China**

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# Daily Report

## China

FBIS-CHI-91-232

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3 December 1991

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Paper Terms Bush's Support for Ukraine 'Unwise'

HK0112080091 Hong Kong TA KUNG PAO  
in Chinese 1 Dec 91 p 2

["Weekly Roundup" by Kung Yao-wen (7895 5069 2429): "Ukrainian Referendum That Will Make Impact on Soviet Union"]

[Excerpts]

#### Vote Outcome Will Have Great Impact

Today, the Ukraine, the second largest republic of the Soviet Union, will hold its first presidential election and a referendum to decide whether the republic will pull out of the federation and declare independence. This event will have immeasurable impact on the Soviet Union's future political and economic development. [passage omitted]

The point is that, once the Ukraine is divorced from the Soviet Union, the new Soviet alliance that Gorbachev has gone all out to defend will collapse like a house of cards. Kravchuk, the front-runner in the Ukrainian presidential election campaign, favors the "community" as a means to link the Ukraine with other republics. But this may give rise to many problems.

#### The United States Takes the Lead in Voicing Support for Independence

[Passage omitted] No sooner had the Ukrainian vote been announced than U.S. President Bush declared that the United States would recognize the Ukraine when it proclaimed its independence. This announcement is intended to "instruct" the Ukrainians how to cast their votes. What is more, this gesture by the United States serves as another blow at Gorbachev, whose political life is in the balance. The situation that will emerge in the wake of the Ukraine's proclamation of independence—the disintegration of the Soviet confederation and the aggravating unrest in Russia—will be harmful to peace in Europe and the world and will be unfavorable to the economy. The United States is unwise in taking the lead in meddling in this affair.

#### Reportage Assesses Versions of New World Order

##### North-South Disparity Criticized

OW0112171991 Beijing XINHUA in English  
1441 GMT 1 Dec 91

["Year-Enders" by Yang Mu, Riu Yingjie: "World Longs for Fair, Just New Order"]

[Text] Beijing, December 1 (XINHUA)—The international community has made gratifying progress in the passing year toward a consensus on the establishment of a new world order featuring peace and development, rather than power politics and economic disparity.

The necessity to establish such an order has become more crying as the world has undergone a series of turbulent events since the 1980s, including this year's dramatic developments in the Soviet Union and the Gulf crisis. The great changes have left the world in a situation where the old international configuration has become disarranged, while a new one is yet to take shape.

However, the versions of the new world order vary vastly.

During the 46th session of the U.N. General Assembly starting in September, 162 representatives, including 24 heads of state, spoke of the necessity and importance of establishing a new international order.

The majority of the world community, the third world countries in particular, champions a fair and just world order featuring peace and development.

Under this new world order, Third World leaders maintain, each country should have the right to decide its own destiny, no matter the country is big or small, strong or weak, rich or poor.

In fact, the Third World made its first call for the creation of a just new world order based on equality and common development of all countries as early as in the 1950s when they initiated the Five Principles for Peaceful Coexistence and the ten principles of the Bandung Conference in conformity with the spirit of the U.N. Charter.

Since then, Third World countries have never slackened their efforts for the establishment of a new order, bringing up the topic at various seminars and conferences.

In recent years, China has declared on many occasions that a new world order should be based on the Five Principles of Peaceful Coexistence with particular emphasis laid on the respect for national independence, sovereignty and non-interference.

Expounding China's position on the matter to the 46th session of the U.N. General Assembly, Chinese Foreign Minister Qian Qichen said that the principles are in line with the purposes and principles of the U.N. Charter and reflect the characteristics essential to a new type of international relations.

It is evident that China's position tallies with those of the other Third World countries pressing for a just and fair new world order.

On the other hand, a few developed countries advocate their own brand of a new order in an attempt to restore the old configuration characterized by power politics and new hegemonism and to impose their political system, economic mode and values on other countries.

In the present world, one superpower, whenever it feels necessary, collaborates with its major allies in interfering indiscriminately in the internal affairs of other nations in



its attempt to bring about a new order in some regions and even the entire world in which it rules the roost.

These countries, with their monopoly of the world's capital and scientific achievements, conduct unequal trade with Third World countries and offer them aid with strings attached, further widening the disparity between the poor South and the rich North.

In face of economic straits, many developing countries are demanding the reopening of the North-South dialogue, which has been deadlocked for many years.

Fathulla Jameel, foreign minister of Maldives, told the 46th session of the U.N. General Assembly, "Any agenda of a new international order must include development."

"The new world order cannot translate a lasting peace in a world where 25 percent of the population enjoys 85 percent of the world's wealth," said Maurice A. King, foreign minister of Barbados.

Obed Y. Asamoah, secretary for foreign affairs of Ghana which is current chairman of the Non-Aligned Movement, said the new world order does not call for the capitulation of the Third World to any superpower.

These demands answer the call of history and serve the interests of all peoples on the globe.

In a multi-polar world today, the developing countries are trying every possible way to press for the setting up of a new world order. The Group of 77 and the Non-Aligned Movement have attached more importance than ever before to cooperation and unity among the developing countries.

Through their active participation in regional economic integration, in South-South and North-South dialogues and the implementation of peaceful multilateral foreign policies, the Third World countries have now become a force no one can ignore.

The establishment of a new world order will be a long and tortuous process. Whether the world configuration can develop in a way conducive to peace and development hinges on the joint efforts of both the developed and developing countries.

### Third World Participation Urged

OW0212044191 Beijing XINHUA Domestic Service  
in Chinese 2110 GMT 1 Dec 91

[Year-end article by reporters Yang Mu (2799 2606) and Rui Yinjie (5360 5391 2638): "The International Community Calls For a New International Order"—XINHUA headline]

[Text] Beijing, 2 Dec (XINHUA)—Mankind is approaching the end of 20th century and will soon enter the 21st century. The international community is asking an important historical question: Where is the world heading?

This question concerns an objective reality. Since the beginning of the 1980's, especially following the Gulf War and drastic changes in the Soviet Union this year, the world is experiencing great international turbulence. The old world pattern has been broken, but a new pattern has not yet been formed. Establishing a new international political and economic order is the primary task.

As early as the 1950's, some Afro-Asian countries, including China, proposed the Five Principles of Peaceful Coexistence in line with the "United Nations Charter" and the 10 principles of the Bandung Conference. This was the first time that the third world countries called for a new world order—and now this call is being voiced by the entire world. During the three weeks of general debate at the 46th United Nations General Assembly in September, representatives of 162 countries, including 24 heads of state, all talked about the necessity and importance of establishing a new international order. Chinese Foreign Minister Qian Qichen delivered a speech on "establishing a peaceful, stable, just and reasonable new international order," systematically explaining the Chinese Government's stand. Academic meetings on the new international order are being held frequently throughout the world.

There are, however, apparent differences on the kind of new international order that should be established, the principle it should be based on, and the ways to establish it. The majority of nations and people advocate establishing a new international political and economic order with peace and development as its starting point and goal. This order should respect the sovereignty of various countries. Nonetheless, a handful of countries actually attempted to enforce the old order characterized by power politics and new hegemonism in the name of the "new order." The two concepts of new international order are antagonistic to one another and are fighting. The demarcation line between the two concepts centers on this question: Whether large, small, rich, and poor countries should all be treated equally and should have the right to decide their own destiny or whether one or several major powers can impose its or their political system, economic pattern and concept of values on other countries, placing the latter in an environment controlled by these powers. This is a major issue in international relations.

The current international order is extremely unfair and unreasonable. A superpower, to meet its need, has united with its main allies in the West to flagrantly interfere with the internal affairs of other countries in an effort to establish a "new order" under its leadership in various regions and throughout the world. In economic, scientific and technological fields, the western powers have practiced unfair trade with other countries, especially the developing countries, affixing political conditions to their aid and monopolizing capital, scientific, and technological achievements. As a result, the gap between the North and the South is becoming increasingly wider and is putting the southern countries in a difficult position. Countries which cannot bear such heavy pressure have

therefore forwarded just and reasonable demands for a new international order one after another.

In recent years, China has repeatedly stated its position on this issue during international contacts and at international forums. China has stressed that a new world order should be established on the basis of the Five Principles of Peaceful Coexistence, respecting national sovereignty, independence, and noninterference in internal affairs. Judging from remarks statesmen from developing countries have made this year on establishing a new international order, people can see that China's stand corresponds with their own.

The large number of developing countries are quite unanimously convinced that a versatile world must establish a "just, reasonable, and equal" new international order. These countries have said: "The new international order must not demand that third world countries surrender to any big power." "The new international order must never be established on the basis of hegemony and domination." They "have felt that a heavy hand is forcing them to do this or not to do that." "Today, certain developed countries think that they have the right to teach us how to run the country, and that, if we don't listen to them, they have the right to damage our economy, make our people poor, or even overthrow our governments."

The developing countries' positions and voices reflect the main trend of international historical development and corresponds to the interests of people from various countries. Now all countries in Africa have won independence and Asian and Latin American countries are also embarking on the road to development. The old order characterized by black slave trade, colonization, the "Versailles system" which followed World War I, and the "Yalta system" which followed World War II all have crumbled. Now is the time to establish a new international order to satisfy the demands of the overwhelming majority of countries and people for peace and development.

New hegemonic forces and power politics run wild in the current world and are adopting various steps to establish their "new order," however. Many developing countries are adopting counter measures and are working hard for their version of the new international order. At the meetings of the United Nations and various other international bodies, they have loudly called for establishing an equal and reasonable new order. They are implementing a peaceful, independent and multilateral foreign policy, actively developing their own economy and local and regional economic cooperation, strengthening cooperation in the South, and promoting dialogue between the South and the North. The Group of 77 and the Nonaligned Movement are paying close attention to cooperation and unity among developing countries. In the multipolar international system, the Third World is increasingly awakening. Even though they are faced with serious difficulties, they represent a force that will not be bullied.

Establishing a peaceful, stable, just, and reasonable new world order is an arduous and long process. Beyond struggle on the part of developing countries, this effort also requires the cooperation of developed countries and positive input by the United Nations. Establishing a new international order hinges on whether international political and economic relations and a world pattern are developing in a direction favorable to promoting peace and development and also depends on the joint efforts of developing countries and the international community.

#### Major General Views Post-Gulf Strategic Patterns

GW0112015791 Beijing BEIJING REVIEW in English  
No 47, 25 Nov-1 Dec 91 pp 7-9

[Interview with Major General Wang Pufeng, deputy director of the Research on Strategy Department in the Academy of Military Science in China, by CONMILIT reporter Li Deshun; place and date not given; reprinted from the September 1991 issue of CONMILIT: "Post-Gulf War World Strategic Pattern"—BEIJING REVIEW headline]

[Text] Li: The Gulf war has ended, but it will certainly have a major influence on the formation of the future world strategic pattern. What we previously discussed regarding the topic was the trend towards a multipolar world. However, after the Gulf war, some foreign commentators believe that the future world strategic pattern will probably be a United States' uni-pole system, or even a structure without any poles. What's your opinion?

Wang: Indeed the Gulf war has had substantial effects on the world strategic pattern. The evolution of the brewing world strategic pattern was shown in the form of war.

The war indicated that the bipolar military system has collapsed. Plagued by its domestic problems, the Soviet Union is waning militarily, while the United States, which maintained a high profile in the Gulf war, has gained a great deal politically as well as militarily. But I do not agree to the idea that the future world strategic pattern will be a US uni-pole system.

To my understanding, the term "pole" means it represents the interests of one party which has the capacity to exert influence on international affairs and has certain control over other world forces. In this sense, the Soviet "pole" has not disappeared yet. The Soviet Union, though on decline, is the only force in the current world that can contend with the United States militarily, as shown in the Gulf war. Washington had tried to reach some agreement with Moscow before it went to the war. Without Moscow's acquiescence, Washington would have something to worry about.

Although the United States appears to have won the Gulf war, in fact, it demonstrates a weakening capability of controlling the world. In the past, the United States financially supported foreign troops in fighting wars.



This time, however, it sent its troops to the Gulf, backed financially by other countries. This reflects its weak economy.

On January 19 this year, President George Bush stressed in his State of the Union Message that the United States sent troops to the Gulf for a great ideal and for the building of a new world order. The result is not what the United States expected. The Middle East question remains unresolved. The Gulf and some other Western countries have their own plans. Even Iraq did not bend to the United States.

It is clear that the US attempt to build a new world order and to dominate the world is difficult to realize. Some Western commentators said that the United States won the war, but not peace.

The idea of "non-polarization" was advanced in Japan. I think it is not correct, because each country in the world deals with international affairs in accordance with its own interests and exerts its influence. Cases in point are the appearance of regional hegemonism and the intensification of economic contradictions in the Western world, both of which originated in "poles." So, it is impossible to have a non-polar world.

I think it is possible to have a multipolar world pattern. But so far it has not taken shape.

In my opinion, a multipolar world would first appear economically because of the formation of world economic groups. The European Community, for example, will probably constitute the European pole; the United States, Canada and Mexico might form the North American pole. Japan is working towards an Asian-Pacific economic rim, which is still a controversial issue, but the economic development in the Asian-Pacific region will lead to the formation of the Asian-Pacific pole. Judging from the present situation, the three economic rims are possible.

Another future for polarization may be a five-polar structure consisting of the United States, the Soviet Union, China, Japan and Germany.

The Soviet Union is still a major power with considerable strength, which should not be underestimated.

The Chinese pole is all objective existence. China's role in the current world cannot be replaced by any other country. China plays a unique political role internationally. Its economic development presents good prospects and its economy in the year 2000 should not be underestimated.

Japan is a major economic power, which we should not neglect. It did not send troops to the Gulf due to domestic opposition, but took up the lion's share of the financial cost of the war. After the war, it dispatched mineclearing boats to the Gulf, clearly as an attempt to seek the position of a major political power.

Unified Germany, in terms of its population, territory and economic strength, will become a superpower in Europe. At present, the country's domestic situation is in

turbulence. It will first "digest" the eastern part before it asserts itself internationally. This process requires six to ten years. Germany can be expected to genuinely play a role in the international arena only after the year 2000. Germany came under criticism by the United States for providing insufficient funds and abstaining from sending troops to the Gulf war. However, the fact is Germany had its difficulties.

Li: You just talked about China's irreplaceable political and economic role. What's your opinion about China's military position?

Wang: The current mainstream of peace and development in the world will not change and China will concentrate its efforts on economic construction. Thus, there will be no substantial military development in China before 2000. However, the Chinese army has an influence in the world, especially in the Asian-Pacific region. If China upgrades its military equipment, it will play a greater role.

Li: Japan failed to send troops to the Gulf war, but offered the most money instead. I think it signals Japan's preparation for a military role. What do you think of Japan's military development in the future?

Wang: The development of Japan's self-defence forces, their nature, will be restricted. But Japan's present military strategy looks beyond its land. Originally, its military strategy was one of land defence, but later it expanded to coastal sea defence. Today, the strategy has developed to defend the two channels. Japan's attempt to send troops to the Gulf is a move indicating that it is not satisfied being an economic power, but wants to pursue a political clout.

Originally the G-7 summit meeting was purely an economic organization. If, in the future, it can play a political role, Japan, as one of its members, can make use of this to exert a political influence in the world. Then Tokyo will surely play a military role as well. Therefore, I believe that after becoming an economic power, Japan will first ascend to a political power, then a military power, because, given Japan's economic and technological might, it is not difficult for it to become a military power if conditions allow.

How will Japan act militarily then? I think first of all it will reconstruct its armed forces. It will try to upgrade its armaments, providing its troops with hightech weapons and equipment. Its military expenditures—now the third biggest in the world next only to the United States and the Soviet Union—and its technological capability will enable it to substantially improve the weaponry and the equipment of its armed forces.

Li: Japan's military role, to my understanding, will to a great extent be restrained by the security treaty between the United States and Japan. How, then, will the military relations between Japan and the United States develop?

Wang: Japan's rapid economic development since World War II is to a large extent attributable to US aid. The US-Japan security treaty offered a security guarantee to Japan, enabling it to concentrate on economic construction. For quite a long time Japanese military spending remained within 1 percent of its gross national product, a very light burden compared with other countries. In this light, it will not forgo the treaty in the future.

Although there are increasingly serious trade frictions between the two countries and that Japan has made some concessions, Tokyo is unlikely to succumb to Washington. Today there are people in Japan who say that Japan can say "no" to the Americans. The Patriot missile, which demonstrated high effectiveness in the Gulf war, contains Japanese-made chips. Japan's suspension of chip supply can render the United States into a state of resignation. The two countries are therefore interdependent.

For the United States, Japan is indispensable in its strategy to dominate the Asian-Pacific region. It needs Japan's money and technology. Earlier this year, Washington demanded that Tokyo increase funding for US troops stationed in Japan and expand their freedom in defence matters. Japan supported the United States in the Gulf war by financially contributing the most to the allied troops.

In sum, the discord between the two countries will widen, but a fierce confrontation is unlikely in the short term.

Li: What implications can we draw from the Gulf war?

A: [as published] The Gulf war left us a deep impression that high-tech weapons will have a great bearing on the world's future military situation. Whoever possesses high-tech weapons will have a bigger say in world military affairs, which in turn will promote those countries' political and economic development. Defence is the backing force behind politics and economy. The United States received a lot of publicity during the Gulf war largely because its high-tech weapons worked. High technology proved its worth not only in weapons systems, but also in logistics support and electronic warfare.

We now emphasize science and technology as the foremost productive force. The role of high technology in promoting military technology is not to be neglected. We will continue to adhere to the strategy of "people's war," but high-tech weapons systems will only reinforce our "people's war" strategy, like adding wings to tigers. In the absence of such high-tech weapons, our "people's war" will be victorious as well, but it will be more difficult.

Under the current circumstances, we must ponder over two questions: How to fight a people's war in light of high-tech weapons and how to develop high-tech weapons to facilitate our people's war. These questions concern the security and survival of our nation, as well as China's position and role in the world's future strategic pattern.

#### Article Views Resurgence of Fascism in Europe

HK2711140091 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 27 Nov 91 p 6

["International jottings" column by Li Wenzheng (2621 2429 2398): "Do Not Forget History"]

[Text] A ancient Western philosopher once said: "All new things are just old things forgotten." His statement may sound too absolute, but it is an appropriate description if it is applied to the revival of fascist ideology in the West. Fascism, which has long been buried by history, has recently reappeared in Europe and in the United States and has become a "new thing" drawing people's attention.

Last month, more than 50 disturbances were caused by neo-Nazis in Germany. On several occasions they gathered several hundred people and rushed violently through the streets robbing and even killing people. They shouted anti-Jewish and xenophobic slogans such as "immigrants out!" Sometimes they even shouted slogans such as "long live Hitler," and openly called back the soul of fascism.

A more noteworthy fact is that their influence is slowly spreading, and their demands are also expanding from the economic to the political field.

Two years ago a German political party considered to be "neo-Nazi" won 7.5 percent of votes and 11 senate seats in the parliamentary elections; later, it also won six seats in the European Parliament. Now they have even said that they will seek the office of president. In France, the ultra-right has also become a rapidly growing political force. The latest opinion poll in France shows that the "National Front," led by the ultra-rightist Le Pen, won support from one-fifth of the voters. The French press say that Le Pen's anti-Jewish and anti-immigrant remarks "have won considerable respect" in France. The specter of racism and fascism is being strongly expressed in Austria and some East European countries as well.

On 17 November, in the center of the Spanish capital of Madrid, several thousand ultra-rightists openly held a rally to commemorate the late Spanish dictator and fascist, Francisco Franco. They took off their caps in a salute to Franco, sang old military songs, and protested the current government.

Coincidentally, two days earlier on the other side of the Atlantic in the United States, David Duke, a former Ku Klux Klan leader, almost won an election for state governor. He also said that he would run in the U.S. presidential election.

Dregs have suddenly floated to the surface, and people are naturally asking why.

Such a complicated social phenomenon cannot be explained easily in a few words. One point, however, is obvious: Over many years, the unemployment rate, which has always remained at a high level and has risen

to even higher levels, has continued to plague many Western nations. In these countries, the large number of immigrants have become the scapegoats where people vent their anger. In addition, along with the drastic changes in Europe, anticommunist ravings have been on the rise, and this has been accompanied by an increase in nationalism and territorial disputes. All these unstable factors are very likely to trigger new waves of refugees. This has put an ominous shadow over the people's minds. In these circumstances, some politicians and extremists have tried to resurrect the dead soul of fascism to confuse the people's thinking and capitalize on the chaos.

Historical experience should be borne in mind. Over 50 years ago, the world was shrouded by a profound capitalist crisis. To find a way out, some European nations brought about an anticommunist uprising. Hitler created the "Reichstag fire incident," which was a typical example. He also resorted to racism and wantonly persecuted Jewish people. Finally, Germany and Italy moved onto the path of fascism, but fascism did not bring solutions to the various social contradictions at that time; on the contrary, it brought catastrophe to Europe and the entire world. The German and Italian people also fell victims to fascism.

Today, when social contradictions are becoming more intense, resorting to such trash as racism and fascism can only be considered an irony of history and can never solve any problem.

Reportedly, some famous German intellectuals have issued a statement condemning neo-Nazi behavior, saying they "felt shame" at the appearance of such an ideological tide. In some countries, governments are taking measures against the rise of neo-Nazi forces. Clearly, the people of Europe, who experienced untold sufferings caused by Nazism, will not allow racist and neo-Nazi forces to spread rampantly throughout the European continent.

#### **Delegate Pledges Ties With UN Volunteers**

OW0212125491 Beijing XINHUA in English  
1213 GMT 02 Dec 91

[Text] Kathmandu, December 2 (XINHUA)—The Chinese government is satisfied with its cooperation with the United Nations Volunteers (UNV) for the past decade and wishes to further develop the friendly cooperation.

The statement was contained in a speech made by Tang Yufeng, head of the Chinese delegation at the plenary session of the Third UNV's Inter-Governmental Meeting in Kathmandu today.

"The Chinese Government has as always attached great importance to and actively participated in the activities carried out by the UNV and has provided every year some financial contributions within its capacity in order to show its support to the organization," Tang said.

While inviting volunteers to serve in China, he noted, it has actively recommended suitable Chinese candidates to the UNV to work in other countries, and attention has been given to the encouragement of more females to participate in volunteer activities.

Now 26 Chinese volunteers are working abroad while 23 foreign volunteers are teaching languages in China.

The meeting, which is scheduled from December 1 to 6 with "people-centered development in the nineties: The role of volunteer development workers and the U.N. System" as its topic.

#### **Song Jian Greets Water Pollution Conference**

OW2011225591 Beijing XINHUA Domestic Service  
in Chinese 1240 GMT 20 Nov 91

[By reporter Ji Jincheng (1323 6651 2052)]

[Text] Shanghai, 20 Nov (XINHUA)—The Third Asian Regional Conference of the International Association for the Study and Prevention of Water Pollution opened in Shanghai today.

The main topic of the conference is "Development and Control of Water Pollution." During the conference, some 300 delegates from more than 20 countries and regions will exchange views and study questions concerning technologies to control water pollution, reutilization of waste water, and policies for controlling water pollution and the economy.

Song Jian, state councillor who is concurrently minister in charge of the State Science and Technology Commission, sent a message of greetings to the conference.

#### **United States & Canada**

##### **Editorial Reviews Intellectual Property Rights**

HK0312094991 Hong Kong WEN WEI PO in Chinese  
3 Dec 91 p 2

[Editorial: "Prospects for Sino-U.S. Talks on Intellectual Property Rights"]

[Text] China and the United States will hold talks on intellectual property rights in Switzerland next January, and the people will then know how to settle their differences.

The United States has taken reprisals and will raise its import tariffs for political reasons regardless of China's tremendous efforts and substantial concessions for the protection of intellectual property rights. The United States has come up with a 15-page list of commodities worth \$1.5 billion, and, of the 106 types of commodities listed, ready-made clothes amount to \$500 million. The rest includes beer, minerals, pharmaceuticals, footwear, diamonds, hardware, electronics equipment, suitcases, clocks, and wristwatches. The list indicates that the commodities affected are products manufactured by factories with U.S., Taiwan, and Hong Kong investments.



As a matter of fact, the previous talks on protecting intellectual property rights went smoothly; China made major concessions and promised to join the International Convention on Intellectual Property next year. To reduce Sino-U.S. trade deficits, China agreed to send another purchasing team to the United States. But the United States wished that everything would proceed according to its will and wanted China to revise its Intellectual Property Law so that it will comply with the U.S. Intellectual Property Law. China clarified that this legislation involves China's sovereignty, and added that China's willingness to join the International Convention on Intellectual Property demonstrates its sincerity.

The United States is using dual tactics: It would be best if China could be forced to follow the United States in politics and legislation. On the other hand, for political reasons, the United States is using sanctions as pawns to raise obstacles in the Sino-U.S. talks. When the talks prove fruitful in the future, the United States will tell its people that it has triumphed, the purpose being to fish for political capital and distract voters' attention. The United States has not resorted to an extreme decision yet. It has said that talks will resume in January—and this is a trick of "asking for more cards."

All countries are equal during negotiations, and no country is allowed to bully others. Relations between countries should be handled according to international norms and practices and not according to the law of a superpower. If everything is handled according to the law of a superpower, other countries will be put under the jurisdiction of this superpower's law. How can fair and reasonable results be achieved? Therefore, China always abides by international norms and remains reasonable. The Chinese Foreign Minister Qian Qichen has expressed China's attitude toward talks this way: "It hopes for success but is not afraid of failure."

It is not afraid of failure because it will not barter away sovereignty or international standards. On protecting intellectual property rights, only one or two countries, including the United States, exercises the policy of "invention first," whereas over 100 countries in the world practice the policy of "application first." Most countries in the world demand that inventors apply for their patents to get legal protection. If an inventor does not apply, he will not have legal protection. The purpose of applying is to judge and record who is the first inventor, as this will help prevent unnecessary controversy.

The U.S. logic is this: In accordance with U.S. laws, whatever is entitled to legal protection in the United States is entitled to legal protection in China; it will be good enough if Chinese legislation protects U.S. intellectual property. This will not do, of course, and most countries will not accept it. How can a country's legislation be taken as an "international standard" for most countries' legislation? This new international economic order is illogical and unreasonable, runs counter to international laws, and will not be successful.

Intellectual property should be appraised according to international conventions. China has joined the "Paris Convention on the Protection of Industrial Property," which allows the simultaneous existence of the two different patent systems, "application first" and "invention first." It also recognizes regional differences and agrees that countries under the two patent systems comply with the convention's regulations and can become members of the convention.

During a visit to Hong Kong, Bogsch, director general of the UN World Intellectual Property Organization, expressed fair remarks as follows: "In comparison with other countries, China's Patent and Copyright Laws are of a higher standard and conform with international criteria in general. Although the United States is dissatisfied with some details of these laws, the Sino-U.S. controversy will be solved within the three-month negotiating period."

Half of the countries in the world have not formed a protection system for their pharmaceutical patents. Most of these countries are developing countries lacking foreign exchange facilities. They are forced to choose between foreign patents and developing their own pharmaceutical industries to protect their people's lives. China is beginning to provide protection for its pharmaceutical patents. There are still shortcomings, and improvement is necessary. As the United States has affirmed that it will protect human rights, it should respect the right of existence of the people in developing countries. We are deeply convinced that, as long as China and the United States hold consultations on an equal basis, they will make reasonable progress in their talks, because they have more common interests than differences.

#### **New Book Condemns U.S. on Human Rights**

HK0312032991 Hong Kong MING PAO in Chinese  
3 Dec 91 p 60

["Special article" by Li Ping (7812 1627): "With Evidence 'Dripping With Blood,' China Condemns United States for Playing Human Rights Card"]

[Text] There has been a great upsurge in studying the "Human Rights White Paper" throughout China's mainland. A book recording the actual events, entitled "A Human Rights Debt Dripping With Blood," has become a bestseller in several big cities.

General Yang Dezhi, member of the CPC Central Advisory Commission and former defense minister, wrote the foreword for the book, condemning the United States for "always practicing fascism under the pretext of democracy." He said: "In those years, the more than 20,000 officers and men from the Chinese People's Volunteers who were captured during the Korean War were deprived of the human right of being repatriated voluntarily to their motherland. The U.S. Army brutally trampled on the international convention on prisoners of war."

The author of the book was General He Ming, political commissar of a certain unit of the 19th Army of the Chinese People's Volunteers, who participated in the negotiations with the United States on repatriating the POW's. In the diaries he kept for those two years, he recorded the practices of the U.S. side, which "tried in a thousand and one ways to obstruct the Chinese side in the effort to release the POW's, led the Kuomintang [KMT] special agents to beat and even kill the captured officers and men from the Chinese People's Volunteers in the POW camps—who had asked to be repatriated to their motherland—and forced more than 10,000 captured POW's to join the KMT troops by threatening and cheating."

In the "postscript" of the book, He Ming said that the purpose of making the diaries he kept over 30 years ago available to the public is to expose the vicious nature of the "human rights card" played by the United States. He said: Since the "4 June" incident, the hostile forces in the United States have been stepping up the implementation of their peaceful evolution scheme against China under the banner of democracy and freedom. To counter their peaceful evolution scheme, the CPC has strengthened its education about modern history and the national situation for the Army and the youngsters, so that the people can always bear in mind the evil history of the U.S. aggression against China, the dual standards adopted by the United States on the question of human rights can be exposed by facts, and the patriotism of the younger generation can be aroused.

Attached to the book are eight historical photos displaying the criminal activities of the U.S. Army, which "cruelly injured and killed the POW's in collusion with KMT special agents." General Wang Ping, former political commissar of the Chinese People's Volunteers, deputy secretary-general of the Central Military Commission, and member of the Standing Committee of the Central Advisory Commission, wrote the following words on the book: "With their heroic deeds, they proved themselves to be the most beloved people."

#### **RENMIN RIBAO Reviews Oliver North's Book**

*HK0212152291 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 2 Dec 91 p 6*

["Jottings" by Gong Nu (1362 1166): "Disorder in Three-Power Balance—Thoughts Provoked by Book Published by Oliver North"]

[Text] Oliver North has published a book, and a thick one at that, telling an "American story."

This key figure in the "Irangate" affair, a scandal that took place five years ago, has let the cat out of the bag: A former U.S. President had a perfect picture of all the lawbreaking secret activities, because "he had regular reports on the dealings between Iran and the antigovernment Contras in Nicaragua."

In fact, people have long thought exactly that, but no-one has ever spelled it out in public. Before Oliver North's

book was published, all the important people involved in the scandal had been tight-lipped on this issue. That being the case, the Irangate affair seemed to be a puzzle. Not long ago, the special prosecutor announced dropping the charges against Oliver North, furthermore, the former U.S. President is no longer in office. Now that the affair was over and the circumstances were different, people probably believed that the investigation of the "Irangate" affair would come to an end and the truth would always remain an unsolvable puzzle of history.

Nobody expected Oliver North would tell the whole truth so soon. Although his story will not play any legal role, people can still detect a flaw in the so-called "democratic system of government" characterized by the balance among three powers which the United States has always flaunted.

The United States sold arms to Iran in exchange for hostages and supported the antigovernment Contras in Nicaragua with the profits. Such an action ran counter to the arms embargo law as well as the order to ban aid to the antigovernment Contras in Nicaragua. Furthermore, all those activities were conducted behind the back of the U.S. Congress. That being the case, as soon as the secret was leaked, the U.S. Congress and public opinion reacted very strongly to it. There was great confusion in the White House, whereas the Democrat-controlled Congress took advantage of the opportunity to violently attack the administration. Numerous investigative bodies of every description were founded and acquired a momentum which would leave no stone unturned unless the cat was let out of the bag. Public opinion cried out in alarm that the White House was facing its gravest political crisis since the "Watergate" affair. Some circles believed that the "Irangate" affair was even more serious than "Watergate."

Some U.S. politicians often praise the so-called three-power balance system, with the administrative, legislative, and judicial branches restricting each other, which seemed to be able to prevent arbitrary actions of any of the three powers, especially unconstitutional actions of administrative departments. But now, keeping in mind the "Irangate" affair, when people review the delicate function of the power-balance mechanism of the U.S. system of government, they cannot help but laugh at it.

The focus of the Senate and House ad hoc investigative committees and the special prosecutor, which exerted tremendous efforts, was precisely on whether the President had knowledge of the activities and what instructions he had given. Nevertheless, the investigation lasted three months, with a 41-day witness hearing that caught global attention and 3.2 million copies of documents referred to in addition to the spending of \$20 million of taxpayers' money, the investigation and trial only proved to be much ado about nothing aside from several "scapegoats."

Oliver North's book evidenced to the truth that the former President had a deep knowledge of the whole affair; in addition, North had been advised "to keep the

President away from the whole thing." The former President himself had also called North on the phone: "You must see that I really had no knowledge about the whole thing." In addition, top-echelon people in the White House decided, "There must be absolutely no leak of any slight hint of the coverup." Consequently, North shredded voluminous documents, including a memorandum on providing military aid to the Contras in Nicaragua submitted to the President himself.

In that storm, the legislative and judicial departments could do nothing with their "balancing power," and found themselves being fooled. When the President was required to testify, he gave the committee a videotape with his testimony. Certainly, the videotape would never leak any secret. When the President was required to submit his diary, he presented a few carefully selected books. When witnesses were called, they all pretended to be deaf and dumb. Nobody could do anything about it!

Public opinion termed the investigation and trial of the "Irangate" affair a "political farce." Now the curtain has fallen from this farce. When this "American story" is told, people may learn something new about the constraints of the balance of power mechanism that has been so flaunted.

In any case, Oliver North has told the truth of the affair now that it is over and the circumstances have changed, but not without effort. Oliver North himself will surely get considerable returns from his "American story."

### Soviet Union

#### Sino-Soviet Border Talks Achieve 'Progress'

OW0312062191 Beijing XINHUA Domestic Service  
in Chinese 0257 GMT 3 Dec 91

[Text] Moscow, 2 Dec (XINHUA)—Between 11 November and 2 December in Moscow, Chinese and Soviet diplomatic and military experts held their fifth round of negotiations on implementing an agreement on the guiding principles for mutual reduction of military forces along their borders and the strengthening of mutual trust in the military field. Representatives from Russian and Tajik Foreign Ministries attended the meeting.

The Chinese delegation headed by Ambassador Wang Ganghua [3769 6921 5478] and the Soviet delegation headed by Ambassador Solovyev exchanged views on drafting a related agreement under a friendly and realistic atmosphere and achieved certain progress. The two sides agreed that the next round of negotiations will be held in Beijing.

The Chinese delegation arrived in Moscow on 11 November. Rogachev, deputy minister of External Relations, and General Kuznetsov, deputy chief of the Soviet Armed Forces General Staff, met with the Chinese delegation separately during the negotiations. The Chinese delegation also visited the Northern Caucasus Military District.

#### Ukrainians Vote Overwhelmingly for Independence

OW0212135291 Beijing XINHUA in English  
1324 GMT 2 Dec 91

[Text] Moscow, December 2 (XINHUA)—The people of the Ukraine have voted overwhelmingly for independence with 90 percent of voters supporting a break from Moscow, the TASS news agency reported today.

The results of Sunday's referendum poll were released to foreign observers by Leonid Kravchuk who has been declared the winner of the accompanying election for president in the western Soviet republic.

Election officials said preliminary results showed about 60 per cent of the voters supported Kravchuk, TASS said.

#### Gorbachev Congratulates Ukrainian, Kazakh Leaders

OW0312043891 Beijing XINHUA in English  
0248 GMT 3 Dec 91

[Text] Moscow, December 2 (XINHUA)—Soviet President Mikhail Gorbachev today sent his congratulations to Leonid Kravchuk and Nursultan Nazarbayev on their election as presidents of the Ukraine and Kazakhstan.

Gorbachev expressed the hope that the independence and sovereignty of the former Soviet republics will not affect their decisions concerning the future of the union of sovereign states.

The Soviet leader stressed the need to preserve the union, re-distribute the state power and renovate federal structures to solve the existing problems.

#### Gorbachev Warns on Union Disintegration Aftermath

OW2711054591 Beijing XINHUA in English  
0435 GMT 27 Nov 91

[Text] Moscow, November 26 (XINHUA)—Soviet President Mikhail Gorbachev said here today that further disintegration in the Soviet Union, and delay in the signing of a union treaty, would have grave consequences to each sovereign state and each citizen.

Gorbachev told a visiting Spanish legislative delegation that the European political system and even the future of the world hinged on the results of Soviet reforms.

He said the question of the Soviet nuclear arsenal would be solved eventually but worries over a loss of control were "groundless."

On Monday, the planned signing ceremony of the treaty was delayed because of many comments and remarks added to the text of the treaty by participants of a meeting of the State Council. The additions came from Gorbachev as well as representatives from seven of the 12 sovereign republics.

The seven republics were Russia, Kazakhstan, Belorussia, Uzbekistan, Kyrgyzia, Turkmenia and Tajikistan.



The second most powerful republic Ukraine, however, boycotted the meeting.

TASS news agency carried the draft union treaty on Tuesday. Under it, the Soviet Union would become a 'confederation of democratic states, whose authority is defined by the parties voluntarily joining it.'

According to the document, member states have the right to independently solve all their development problems and proclaim human rights as the main priority of their activities.

Meanwhile, the union will maintain united armed forces under a central control. But the signatories have the right to create their own armed forces.

#### **XINHUA Reports Failure To Sign Union Treaty**

OW2711044591 Beijing XINHUA in English  
0232 GMT 27 Nov 91

[Text] Moscow, November 26 (XINHUA)—Soviet Presidential Advisor G. Kh. Shakhnazarov said today that the failure of the new Union Treaty signature did not mean the procedure was obstructed.

He told a press conference that the Soviet State Council did not sign the treaty Monday, but decided to submit it to the republic parliaments for discussion. This meant the council had reached a unanimous view on the treaty.

The leaders did not sign the treaty because they believed parliaments knew little about the document. If they signed it, they would have been in a stage of embarrassment.

On the Ukraine's place in the union, the advisor said the Soviet leaders were very concerned and hoped its independence would not affect its participation in the union.

Shakhnazarov said if Ukraine could not take part in the union immediately, it would not affect other republics' signatures of the treaty.

In answer to the question on when the Union Treaty would be signed, he said at least eight republics including Azerbaijan were ready to join the Union Treaty. The republics needed two or three weeks to express their attitudes and would send plenipotentiary delegations to participate in the signature.

On the election of the new union president and Gorbachev's running for the presidency, Shakhnazarov said the election form and date would be fixed when an election law was approved after the signature of the new treaty.

In the conference he also revealed that Gorbachev had not definitely decided whether he would be a presidential candidate.

#### **Northeast Asia**

#### **Vice Minister Speaks at Sino-Japanese Forum**

HK0212033091 Beijing RENMIN RIBAO in Chinese  
15 Nov 91 p 2

["Excerpts" of speech by Vice Minister of the State Planning Commission Wang Chunzheng (3769 2504 2973) at fourth Sino-Japanese Economic Symposium; date not given: "China's Economic Development and Policy of Reform and Opening Up in 1990's"]

[Text] During the 1980's China began a new phase in its modernization drive. The general policy of reform and opening up to the outside world has resulted in unprecedented and profound changes in China's social and economic situation. Social production has rapidly increased, great headway has been made in promoting foreign economic and technological exchanges, the people's livelihood has been markedly improved, a comparatively great development has been achieved in various social undertakings, including science and technology, education, and culture, and the strength of our country has been greatly enhanced. The old economic management structure, which was characterized by over-centralism, has been gradually changed into an economic structure and operation mechanism combining planned economy with market regulation. All this has laid a solid foundation for China's economic development in the 1990's.

According to the stipulations of the "Outline of the 10-Year Program (1991-2000) and of the Eighth Five-Year Plan (1991-1995) for National Economic and Social Development of the People's Republic of China," adopted by the Fourth Session of the Seventh National People's Congress, the basic objective for China's economic and social development in the next 10 years is to quadruple 1980's GNP by the end of this century in constant price terms and to raise the people's living standards to a state of leading a fairly comfortable life. The main points of this development are:

1. Continue to take increasing economic returns as the center and ensure a sustained, steady, and harmonious development of the national economy. By the year 1990, China's GNP had more than doubled since 1980. By 2000, the objective of quadrupling the GNP will be comprehensively realized. The difficult thing is not increasing the economic growth rate, but is increasing the comprehensive economic strength and the quality of the national economy as a whole. According to the development program, in the next 10 years, GNP will grow at an average annual rate of approximately 6 percent, gross agriculture output value will grow at an average annual rate of 3.5 percent, and gross industrial output value will grow at a rate of 6.5 percent. These growth rates are all lower than those of the past decade. It is important to begin by preventing the practice of only seeking to improve quantity and speed and by guiding all localities and departments to emphasize increasing economic returns and improving economic quality in their work.

**2. Vigorously readjust the industrial structure, promote rationalization of this structure, and enable it to advance toward modernization gradually.** The main orientation for structural readjustment in the 1990's is to strengthen agriculture, basic industries, and basic facilities, to actively develop the electronics industry, and to transform and reorganize the processing industry.

In the next decade it will be necessary to make great efforts to improve the current weak agricultural basis and the lack of staying power in agricultural production. Our main task will be to ensure the steady growth of production of grain, cotton, and other major agricultural products and to promote the overall prosperity of the rural economy. Energy resources, the raw materials industry, and communication and transportation are still the weak links of China's national economy. During the Eighth Five-Year Plan and the 1990's, it is necessary to build, extend, and transform a number of key projects in a planned way, including some large and medium-size power stations, coal mines, oil fields, railways, major highways, ports, airports, and communication lines, as well as some metallurgical and chemical projects. We must put the development of the electronics industry in an important position. The Eighth Five-Year Plan will stress developing large-scale integrated circuits, computers, and software. The processing industry, including the machinery industry, light industry, and textile industry, must focus on reorganizing existing enterprises and on technological transformation over the next decade.

**3. Make an effort to improve the regional economic structure and the distribution of productive forces.** The general objective is: Through the efforts of the next 10 years, taking the national situation into consideration and on the premise of a unified market, to establish an economic structure capable of displaying local characteristics, with provinces, autonomous regions, and municipalities as the bases, and supplemented by lateral economic ties among various provinces, regions, and municipalities. To achieve this goal, we must appropriately handle the relationships between coastal and inland areas and between economically developed and underdeveloped areas in accordance with the principles of overall planning and arrangements, rational division of work, harmonious development, mutual benefit, and common prosperity. The state must help the areas inhabited by minority nationalities and poor areas with funds, materials, and relevant policies.

**4. Speed up development of science, technology, and education.** In the 1990's, the key to increasing the overall quality of our national economy and the state's economic strength lies in vigorously promoting the development of science and technology and intellectual resources.

The basic orientation of China's economic reform in the 1990's will be to establish a new economic structure and economic operation mechanism suited to the development of the socialist planned commodity economy in accordance with the principle of combining the planned economy with market regulation. While promoting reform, we must solve the following problems: First,

make continuous efforts to explore concrete channels for the combination of planned economy and market regulation. It is also necessary to give free reign to the superiority of the planned economy and the positive role of market regulation. Second, to further strengthen the vigor of state-owned enterprises and gradually establish an enterprise mechanism to suit the demands of developing socialized, modernized, and commercialized mass production so that the enterprises can really become independent commodity producers and managers can assume sole responsibility for their profits and losses. Third, to further perfect and expand the commodity market and develop the financial market, technology market, information market, real estate market, and labor market and to actively and steadily promote reform of the price system. Fourth, to deepen reform of the macroeconomic regulation and control system and establish and perfect the economic regulation and control system at both the central, provincial, autonomous regional, and municipal levels, which combines direct regulation and control with indirect regulation and control. Fifth, to deepen reform of the distribution system and gradually establish and perfect the social distribution system with distribution according to work as the main body and other forms of distribution as supplements. Meanwhile, we must also carry out reform of the housing and social insurance systems.

In the 1990's, we must continue to implement and perfect the policy of opening up to the outside world, further expand foreign economic and technological exchange and cooperation, and pay more attention to increasing quality and economic returns while maintaining steady growth in quantity. We must increase our work in the fields of foreign trade, using foreign capital, and introducing advanced technology and intelligence to a new level.

We are glad to see that Sino-Japanese relations have been completely restored to normal. At the same time, we have defined the objective and strategic tasks for our economic development in the 1990's. All this will provide Sino-Japanese trade and Japanese entrepreneurs with more advantageous opportunities to invest in China. There are brighter prospects for expanding bilateral cooperation between China and Japan.

We warmly welcome and encourage foreign industrial and commercial entrepreneurs to invest in China's agricultural technological development projects, in the energy, communications, and important raw materials industries that our country badly needs, and in large equipment manufacturing. For example, the development of fine and high-yield new varieties of crops, the development and production of high-efficiency farm chemicals, the technique for the final processing of leather, the design and manufacturing of mining equipment, the production of steel oil pipes, the aluminum extraction technique, the production of new synthetic materials, the manufacture of extra-high voltage power transmission equipment, the production of major automobile spare parts, microelectronics technology, the

manufacture of electronics equipment and instruments, and the production of new antibiotics.

Since reform and opening up, foreign businessmen, including those from Japan, have come to invest in China. A number of relatively advanced projects have been put into production. Most of them are operating normally. In the future, we will make continuous efforts to improve our investment environment. We welcome foreign entrepreneurs, especially Japanese entrepreneurs, to make full use of China's abundant labor resources and all kinds of preferential policies and continue to establish technologically advanced and larger-scale projects, which are encouraged by our country. The Chinese economy and Japanese economy can supplement one another. I believe that, through the common efforts of both sides and on the basis of equality and mutual benefit, there are bright prospects for developing economic relations, trade, and technological cooperation between the two countries to a new level.

#### **Joint Business With Japanese Opens in Jiangsu**

*OW0212045791 Beijing XINHUA in English  
0433 GMT 2 Dec 91*

[Text] Nanjing, December 2 (XINHUA)—The Sino-Japanese funded Yunteng Oil and Fat Loading and Unloading Co. Ltd. started business on November 26 at Lianyungang Harbor of east China's Jiangsu Province. It is the first oil and fat loading, unloading and storage enterprise of its kind in China. Three Chinese enterprises and two Japanese companies have invested 10 million yuan in the project. The joint venture will import vegetable oil and animal fat, some of which will be re-exported after processing and the rest for domestic use in food and light industrial enterprises. The joint venture, at present, has an annual handling capacity of six tons of oil and fat. It is learned that some manufacturers in Japan, Singapore, Malaysia and Hong Kong have shown great interest in the venture. They plan to invest 10 million U.S. dollars in the next few years for intensive processing of oil and fat.

#### **Bank of Tokyo Opens Branch Office in Shanghai**

*OW0212141591 Tokyo KYODO in English  
1157 GMT 2 Dec 91*

[Text] Shanghai, Dec. 2 KYODO—The Bank of Tokyo (BOT)'s branch office in Shanghai opened for business Monday, bank officials said. The new office, which is only permitted to conduct business in foreign currency, is the third Japanese bank to open a branch in Shanghai.

Sanwa Bank and the Industrial Bank of Japan also have branches in the southern Chinese coastal city, the officials said. The office is the seventh foreign bank branch to open in the country since the People's Republic of China was founded in 1949. The Shanghai office will lend money for joint ventures, they added.

#### **Accord on Dalian Industrial Park Project Signed**

*OW0312103291 Beijing Radio Beijing in Japanese  
0930 GMT 30 Nov 91*

[Text] According to our correspondent in Tokyo, the Administrative Committee of the Dalian Economic and Technological Development Zone [ETDZ] of China and the Dalian Industrial Park Project Committee of Japan signed an agreement in Tokyo last night on a joint venture to construct and develop an industrial park in Dalian.

The agreement states that, under the principle of mutual benefits, the two sides will establish a Dalian industrial park development administrative company, limited. The Chinese side will invest 20 percent and the Japanese side 80 percent, and the Chinese side will make the construction cost of two roads running through the park its investment, while the Japanese side will invest with cash.

The company will purchase the right to use approximately 2.2 square km of land in the Dalian ETDZ and, after its development, will be able to transfer part of the land to enterprises investing and building factories there. In that event, the Japanese side will be the nucleus, and the Chinese side will cooperate with it. The agreement sets the period for the use of land at 50 years.

The construction and development of the Dalian industrial park as a joint venture is the first such case in China. This project enjoys the attention and support of the two countries' governments.

The project, a new form of economic cooperation, is expected to exert active influence over the two countries' economies.

#### **Fujian Fishermen, Koreans Agree on Damages**

*OW1611100291 Beijing XINHUA in English  
0701 GMT 16 Nov 91*

[Text] Beijing, November 16 (XINHUA)—A settlement was reached recently concerning a maritime accident which occurred in the southeast China over three months ago, according to today's overseas edition of "PEOPLE'S DAILY."

The freighter "923," which belongs to a Korean shipping company, collided with the Chinese fishing boat the "Minhui 0526" from Huian County, Quanzhou City, Fujian Province, in heavy fog on August 2 near Xiongdi Islet on the Dongshan Sea. Five crewmen from the "Minhui 0526" were reported missing.

According to an official from the Quanzhou City harbor administration, the owners of the fishing boat recently received compensation of 462,000 yuan the Korean shipping company. [sentence as received] The settlement covers 60 percent of the losses sustained as a result of the collision.

The city harbor administration was charged with mediating the settlement, and reaching a satisfactory settlement.



## Southeast Asia & Pacific

### Attacks on Cambodian SNC Leaders Criticized

HK0312053791 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 2 Dec 91 p 6

["Short Commentary": "Implementation of Cambodian Peace Agreement Brooks No Interference"]

[Text] On 27 November, a serious violent incident occurred in Phnom Penh in which the residences of Khieu Samphan and Son Sen, members of the Supreme National Council (SNC) of Cambodia, were infringed upon and a member of the SNC was wounded. This incident constitutes an obstruction to the implementation of the peace agreement on Cambodia and runs counter to the Cambodian people's fundamental interests and aspirations. It has caused deep concern and anxiety in the international community.

Since the signing of the peace agreement on Cambodia a month or so ago, the peace process of political settlement on the Cambodian issue has made some new progress. As Cambodia's only legitimate power during the transitional period according to the agreement, the SNC, under the leadership of its chairman Prince Sihanouk, has just begun to function. Recently, members of the SNC came to Phnom Penh one after another to consult on the important matter of implementing the Paris agreement for rebuilding their homeland.

It was in this critical juncture that the serious violent incident took place, just five minutes after Khieu Samphan, SNC member from the Democratic Kampuchea side, arrived at his hotel in Phnom Penh. This was by no means accidental, and the Phnom Penh side can in no way evade its responsibility for the incident. As the SNC headquarters is located in Phnom Penh, people have all the more reason to demand that the Phnom Penh side take effective measures to ensure the safety of all SNC members and to guarantee their normal work free from any interference.

People should note that the peace agreement on Cambodia was not reached easily. It was the outcome of unremitting efforts made collectively by the international community and the four Cambodian factions. The peace agreement is based on the goal of realizing national reconciliation and reconstruction in Cambodia, with special emphasis laid on the SNC as the unique legitimate supreme organ of power during the transitional period and the leading role of Prince Sihanouk to the SNC. The key to a full implementation of the peace agreement on Cambodia lies in the smooth operation of the SNC in Phnom Penh. For this reason, all countries signing the agreement, and the four sides of Cambodia in particular, should, in sincerity and with responsibility, carry out their obligations to guarantee a serious implementation of the agreement, rather than do anything detrimental to carrying out the peace agreement and national unity.

The entire Cambodian people and the international community will not tolerate anybody's violation of the agreement, and this act would never be exonerated for whatever reason. The Cambodian issue cannot possibly be settled, nor can peace and stability be maintained, so long as one side of Cambodia is excluded in the settlement.

As Cambodia is advancing toward peace, we sincerely hope that the political forces in Cambodia, under the leadership of Prince Sihanouk, faithfully fulfill their duties as stipulated in the agreement, give up their old grudges, and build up an independent, peaceful, neutral, non-aligned, and prosperous new state of Cambodia.

### New Zealand Minister Considers Ties 'Important'

OW0312111491 Beijing XINHUA in English  
1048 GMT 3 Dec 91

[Text] Wellington, December 3 (XINHUA)—The New Zealand Government is looking forward to contacts between the leaders of New Zealand and China as well as meetings between the foreign ministers of the two countries.

Contacts between leaders and foreign affairs ministers of the two countries would be important to the maintenance of the good political relations between the two countries, said New Zealand Deputy Prime Minister Don McKinnon today.

Meeting with new Chinese Ambassador to New Zealand Li Jinhua, McKinnon said he was satisfied with the development of the relations between the two countries in the past and hoped for furthering the good relations. McKinnon is concurrently New Zealand's minister of foreign affairs and the minister of external relations and trade.

Local sources disclosed that McKinnon is planning to visit China early next year.

The meeting was the first call by the woman Chinese Ambassador to the minister since she was appointed the post early last month.

### Trade Minister's Visit Previewed

OW0312041391 Beijing XINHUA in English  
0333 GMT 3 Dec 91

[Text] Wellington, December 3 (XINHUA)—The New Zealand Government has hailed the forthcoming visit of Chinese Minister of Foreign Economic Relations and Trade Li Lanqing to New Zealand as ushering "an important stage in the economic relationship" between New Zealand and China.

Deputy Prime Minister and Minister of External Relations and Trade Don McKinnon and Minister of Trade Negotiations Philip Burdon said in a statement today that New Zealand's increased trade representation in China would be among the topics for discussion with Li, who is due to arrive in Wellington tomorrow.

"These are clear signals that New Zealand and China are very much part of the same Asia-Pacific neighbourhood," said the two ministers, adding that New Zealand's relations with China "need to be as positive and broad-ranging as possible."

#### **New Zealand Seminars Highlight Trade Cooperation**

*OW0112112891 Beijing XINHUA in English  
1047 GMT 1 Dec 91*

[Text] Wellington, December 1 (XINHUA)—New Zealand's trade development board is running a series of market focus seminars on China in the coming two weeks to boost New Zealand/China trade and economic cooperation.

The series of seminars will open Tuesday in New Zealand's economic and commercial center, Auckland, and will be continued in the major cities of the country including Wellington, Christchurch, Dunedin and Hamilton.

Chinese Minister of Foreign Economic Relations and Trade Li Lanqing and another senior official from the ministry are due to address two of the seminars here and in Auckland respectively.

Li is paying an official visit to New Zealand this week at the invitation of the New Zealand Government.

China has been seen as one of the biggest potential markets of New Zealand as the country is moving its trade and economic cooperation concentration to Asia, North Asia in particular.

China is now New Zealand's 11th most important export market and one of the biggest wool buyers.

The seminars are expected to enhance the better understanding of each other's market so that the trade and economic relations as a whole between the two countries will usher in a new stage, board sources said.

#### **New Zealand Trade Board To Open Shanghai Office**

*OW0312041591 Beijing XINHUA in English  
0321 GMT 3 Dec 91*

[Text] Wellington, December 3 (XINHUA)—The Trade Development Board (TDB) of New Zealand will set up a new office in Shanghai which will also "serve as a consulate-general".

This was announced by New Zealand Minister of External Relations and Trade Don McKinnon and Minister of Trade Negotiations Philip Burdon today.

The TDB currently has two trade commissioners based in Beijing and it has been planned to appoint another seconded trade commissioner, to be based in the new office in Shanghai. The TDB is also investigating the possibility of opening a new office in Guangzhou.

Burdon, who led a 32-member business mission to China last October, commended Shanghai and Guangzhou as having "immense potential" for development, adding

that he was most impressed by the phenomenal development in the eastern coastal provinces of China. "There is unusually high economic growth in Guangdong Province, and there is a development program in the Pudong area of Shanghai which comprises 10 infrastructure projects of major proportions," Burdon noted.

"China is truly a giant on the move. With a population of more than 1.1 billion and a growth rate of 6-8 percent forecast for this year, it offers a wealth of opportunities for New Zealand exporters," Burdon stated.

### **Near East & South Asia**

#### **Li Peng Explains Goals of Upcoming India Visit**

*OW0212131991 Beijing XINHUA in English  
1302 GMT 2 Dec 91*

[Text] Beijing, December 2 (XINHUA)—Chinese Premier Li Peng said here today that the goal of his forthcoming visit to India is to further improve Sino-Indian relations.

Li made these remarks this evening at Zhongnanhai during a meeting with a delegation from the Indian National Congress—the Indira Gandhi party—led by V.N. Gadgil, a member of the party working committee and the former party general secretary.

The Chinese premier said he will be visiting India at the invitation of Prime Minister P.V. Narasimha Rao, and that during the visit he and Indian leaders will hold talks designed to further improve and develop bilateral relations.

The Chinese Government and people have always attached great importance to developing good neighborly ties with India, said Li.

He noted that the Five Principles of Peaceful Co-Existence initiated by the leaders of the two countries have stood the test of time.

Li said the visit by the late Indian Prime Minister Rajiv Gandhi to China in 1988 was a great success and that since that time bilateral relations have been developed steadily due to a common effort by both sides.

Economic and cultural cooperation between the two countries has been growing, he added.

The Chinese premier stressed that the further development of bilateral relations based on the basis of the Five Principles of Peaceful Co-Existence is not only in the interests of the two peoples, but also conducive to peace and stability in Asia and the world.

Speaking of the international situation, Li said the present world situation is far from stable, and is, in fact, becoming even more turbulent.

The establishment of a new international world order is an important topic for discussion which needs to be addressed immediately, said Li.

He said that China and India can find common ground in this regard, and added: "We are willing to exchange views concerning this issue with the Indian side."

Gadgil said China's achievements in its modernization effort have left him with a deep impression.

He said the Indian Government and people are looking forward to the visit of the Chinese premier.

Gadgil expressed the belief that the forthcoming visit by Li will enhance India-China relations.

Zhu Liang, a member of the Chinese Communist Party Central Committee and head of the International Liaison Department of the Central Committee, attended the meeting.

#### **Li Peng Meets With Indian Congress-I Delegation**

*BK0212160691 Delhi All India Radio Network in English 1530 GMT 2 Dec 91*

[Text] The Chinese Premier, Mr. Li Peng, has told a visiting Congress-I delegation today that, given goodwill, patience, and time all pending problems between China and India can be sorted out. He reviewed the world situation and bilateral relations during a 55-minute meeting with the delegation led by Congress-I Working Committee member Mr. V.N. Gadgil.

#### **Qiao Shi Meets With Tunisian Party Leaders**

*OW0312101891 Beijing XINHUA in English 0937 GMT 03 Dec 91*

[Text] Beijing, December 3 (XINHUA)—Chinese Communist Party (CPC) Leader Qiao Shi said here today that the CPC wants to further its friendly ties with the democratic constitutional assembly party of Tunisia.

Qiao, a standing committee member of the political bureau of the CPC Central Committee, made the statement at talks with Chedli Neffati, general secretary of the Democratic Constitutional Rally Party in the Diaoyutai state guesthouse, which lasted two hours and a half.

According to an official from the International Liaison Department of the CPC Central Committee, both Qiao and Chadli hailed the expanding relations between the two parties and two countries and expressed the common wish for furthering such relations.

Qiao said that China pursues an independent foreign policy of peace, and believes all countries, large or small, rich or poor, strong or weak, should participate in international affairs.

China, while striving for developing friendly relations with all countries on the basis of the five principles of peaceful coexistence, regards its relations of friendship and cooperation with third world countries including Tunisia as the cornerstone of its foreign policy, he said.

Neffati said that Tunisia, led by President Ben Ali, regards economic development as a task of paramount importance.

Tunisia, which follows a foreign policy of peace, neutrality and nonalignment, actively develops relations with all countries, works for cooperation among the Maghreb countries and for Arab unity, he said.

Qiao said that China now enjoys political and social stability and economic development.

The implementation of the reform and open policy during the past 12 years has enabled China to realize, two years ahead of schedule, the first-step strategic goal of feeding and clothing people throughout China.

This shows that the policy suits China's conditions and is in line with the people's interests, Qiao said.

"We will continue to deepen the reforms and open China still wider and firmly follow the party's basic line so as to build socialism with Chinese characteristics," he concluded.

Present at the talks were Zhu Liang, head of the international liaison department of the CPC Central Committee, and members of a delegation led by General Secretary Chadli Neffati.

#### **Sudan Supports Chinese Participation in NAM**

*OW3011183591 Beijing XINHUA in English 1810 GMT 30 Nov 91*

[Text] Khartoum, November 30 (XINHUA)—A senior Sudanese official said today that his country supports China's request for observer status in the Non-Alignment Movement [NAM].

'Ali Muhammad 'Uthman Yasin, first under-secretary of the Foreign Ministry, made the pledge when meeting with Huang Guoliang, charge d'affaires of the Chinese Embassy in Khartoum.

Yassin expressed the belief that by becoming an observer of the movement, China will contribute still more to its activities and this will help promote the cooperation between China and member countries.

The Chinese diplomat also discussed with his Sudanese host relations between the two countries.

#### **RENMIN RIBAO Views Middle East Talks**

*HK0212011291 Beijing RENMIN RIBAO in Chinese 29 Nov 91 p 6*

[Article by Xie Bangding (6200 6721 1353): "Key to Justice and Peace in Middle East"]

[Text] November 29 this year will mark the 13th anniversary of the International Day of the World People's Support for Palestinian People named by the United Nations General Assembly, and this year is also the 44th year since the UN General Assembly adopted the Resolution on Partition of Palestine. For nearly half a century



the Palestinian people have been engaging in a sustained and arduous struggle for the recovery of their occupied territory and their legitimate national rights, through which they have won the sympathy and support of the international community, including the Chinese people.

The Palestinian issue has always been the core of the Mideast issue. Since the late 1940's, Israel has grabbed and occupied all of Palestine and vast stretches of Arab land through four Mideast wars, thus forcing a large number of Palestinians into exile and homelessness. This is the root cause for the frequent wars and sustained turbulence in the Mideast region over the past decades.

Peace and development has been the common aspiration and demand of the vast number of people in the Middle East. The key to the realization of justice and perpetual peace there rests on the implementation of the resolutions adopted by the United Nations: Occupied Arab territory must be returned; the Palestinian people's legitimate national rights must be restored; and the sovereignty and security of all the Middle East nations, including Israel, must be safeguarded. Only when the Palestinian issue is justly resolved will real peace be finally achieved in the Middle East. UN Resolutions 242 and 338 on the Middle East issue, which are based on the principle of "land for peace," can serve as a correct approach to a just and reasonable solution, which will be beneficial not only to the Palestinian and Arab people but also to the Israelis.

The Palestinian people and their legitimate representative—the PLO, together with Arab countries and people, have worked unrelentingly for years to accomplish this end. At the 20th meeting of the Palestinian National Committee held last September, Chairman Yasir Arafat reiterated that the PLO "has chosen the road to peace." Solidarity and coordination between the PLO and Arab countries are being strengthened, and they are upholding their correct goal, pursuing realistic and flexible policies, overcoming numerous difficulties and obstacles, and have won the wide sympathy, support, and appreciation from the international community.

The recent Madrid conference on peace in the Middle East marked a positive development in the situation. For the first time in decades the opposing parties in the Arab-Israeli and Palestinian-Israeli conflicts finally sit face-to-face at the conference table to start a dialogue to work out settlement of their conflicts. This is the fruit of the hard work by Palestine and other Arab countries, as well as other parties concerned.

The Israeli authorities, however, have insisted on their stubborn stance, hesitating to compromise on several substantial issues that must be resolved in the Middle East. Israel has been refusing to implement the relevant UN resolutions, has turned down the offer of "exchanging land for peace," and has continued to build new Jewish settlements on the occupied Arab land. Before and after the Middle East peace conference, Israel declared time and again that it "will never turn over sovereignty of the West Bank of the Jordan River which

has been under Israeli occupation," and that "there will be no bargain over the Golan Heights issue." It has also sent out aircraft frequently to bombard South Lebanon. All these words and deeds of the Israeli authorities have been condemned by public opinion in the international community and all Arab countries.

Although the road to justice and perpetual peace in the Middle East is a long one full of twists and turns, the Middle East people's willpower to strive for peace is indomitable. The final realization of peace and harmony between the Arab and Jewish nations is after all an aspiration of all the peoples in the Mideast region and the common wish of all peace-loving people in the world as well.

### West Europe

#### Envoy to France Discusses Bilateral Relations

OW3011022891 Beijing XINHUA Domestic Service  
in Chinese 0758 GMT 28 Nov 91

[By reporter Liang Guihe (2733 6311 0735)]

[Text] Paris, 27 Nov (XINHUA)—At the invitation of Luobeier Luokuernei [as received], chairman of the Franco-Chinese Friendship Subcommittee of the French Senate, Chinese Ambassador Cai Fangbo held a report meeting on 27 November to give a briefing on China's independent foreign policy as well as the reform and opening up policy.

At the report meeting, Cai Fangbo expounded on China's consistent stance in international affairs of safeguarding world peace and developing friendly and cooperative relations with all countries. He reiterated that on the basis of the Five Principles of Peaceful Coexistence, China was willing to make unremitting efforts in establishing a just and reasonable international political and economic new order.

Cai Fangbo reported in detail the great changes and tremendous achievements of China's national economy brought about by 12 years of reform and opening up.

He said: The Chinese Government has always attached importance to developing friendly and cooperative relations with France in various fields. He expressed the feeling that there was a good prospect of Sino-French cooperation in economic, trade, and technological matters, and expressed the hope to see a long-term and stable development in the friendly and cooperative relations of the two countries.

French Senate President Alain Poher attended the report meeting.

Before the meeting ended, Chairman Luokuernei spoke briefly. He said that he would continue to work hard to consolidate and develop the traditional Franco-Chinese friendship, and would create a favorable environment to further strengthen the friendly and cooperative relations in the economic sphere of the two countries.

**Swiss Bank, Hong Kong Group To Sell Stocks**

OW3011182191 Beijing XINHUA in English  
1608 GMT 30 Nov 91

[Text] Shanghai, November 30 (XINHUA)—A Swiss bank and two Hong Kong companies will sell outside China 80 million yuan-worth of special stocks, the first of their kind in China.

Under an agreement signed here today between a Chinese company, the Swiss Bank Corp., Sun Hong Kai Co. Ltd. and Solomon Brothers Hong Kong Ltd., the latter three companies will sell 80 percent of the 100 million yuan-worth of special stocks—known as B-stocks—issued by the Shanghai Vacuum Electronic Devices Co. Ltd.

Huang Ju, mayor of Shanghai, China's largest industrial city, said that to issue the special stocks is a major development in the process of China's reform and opening.

He said it will help Shanghai to open wider to the outside world.

Speaking to over 100 Chinese and overseas financial personages at the signing ceremony tonight, Huang said the distribution of the B-stocks marks another new way China has tried to raise overseas capital.

It is also a new form of foreign-funded enterprise in China, the mayor said.

Yih Laisheng, executive director of Sun Hong Kai, said that his company will sell 16 percent of the shares through its global networks.

He said most of what his company will sell will go to investment institutions, and only very small number of the shares will be sold to individual investors.

The director said his company has received many calls from potential buyers asking about the shares.

Michael Ning, Associate Asia Pacific Investment Banking, Solomon Brothers Hong Kong Ltd, which will sell 32 percent of the shares, said he has confidence in the Chinese stock market and expects more new special shares to be issued to meet the demand of overseas investors.

**Report on 'Specter' of Nuclear Weapons in Europe**

HK0312104091 Beijing LIAOWANG in Chinese  
No 43, 28 Oct 91 p 43

["Special dispatch" from Rome by LIAOWANG special correspondent Huang Sixian (7806 1835 6343): "Will Specter of Nuclear Weapons Disappear From Europe?"]

[Text] From 17 to 18 October, the foreign ministers of NATO's Nuclear Program Group held a meeting in Taormina, a seaside resort near the volcano Mount Etna in Sicily, southern Italy. The meeting mainly discussed the problem of nuclear arms cuts in Europe. Italian

Defense Minister Virginio Rognoni said that the meeting, which was participated in by the U.S., UK, and German defense secretaries; by NATO's secretary general; and by NATO's supreme allied commander Europe, was the most important one since 1979, when approval was granted for deploying missiles in Europe.

The brief communique issued after the meeting said: The defense secretaries of NATO countries had decided to cut 80 percent of the tactical nuclear weapons deployed in Europe, of which, 50 percent of the plane-carried nuclear bombs will be cut. The communique also stressed that the other nuclear weapons deployed by NATO in Europe will continue to play their roles, and be renewed and modernized.

This decision by NATO was a supplement to the nuclear weapons reduction plan announced by U.S. President Bush on 27 September; it will be submitted to the NATO summit—scheduled for November—for adoption. The Taormina meeting was in fact to prepare for the summit.

Europe was a focus of confrontation during the Cold War between the East and West. NATO and the Warsaw Pact deployed large numbers of nuclear weapons in the region from the Atlantic to the Ural Mountains, and Europe became the place with the most densely deployed nuclear weapons in the world. Various peoples in Europe, especially the Germans, have aired their grievances against the deployment of a large number of the superpowers' nuclear weapons in their territories, and demanded a withdrawal of the weapons as soon as possible. At present, the Warsaw Pact has already crumbled, and Soviet troops will completely withdraw from East Europe, so the large number of short-range nuclear weapons deployed by NATO have lost their military value, and NATO must adjust its nuclear strategy. The Taormina meeting was precisely held against this background.

According to the materials disclosed by the NATO people and based on the "reliable" figures released by the Group for Analyzing U.S. and British Disarmament, the so-called European tactical nuclear weapons mainly include three types: First, there are the 900-1,300 U.S. Air Force B-61 nuclear bombs currently deployed by NATO in Europe; these bombs range from 10,000 to 340,500 tonnes of TNT equivalence, and their total explosive force equates to 15,000 atomic bombs of the 20,000-tonne type dropped on Hiroshima. Quite a number of these nuclear bombs are free-fall bombs and are outdated. Second, there are the 1,400 nuclear shells to be thrown by cannons. Third are the 700 "Lance" nuclear missiles and some 90 launchers. These weapons are mainly deployed in Germany and other West European countries. The nuclear missiles and shells were designed to deal with the Warsaw Pact troops who were armed with conventional weapons, and their range is 80 miles and they can only be used in Europe. Along with the crumbling of the Warsaw Pact, these weapons have lost their military value; furthermore, it has been alleged that the right to use these weapons is in the hands of

divisional-level officers, and not controlled by the central command. Therefore, it is a very dangerous situation. Here we can see that the tactical nuclear weapons to be scrapped are outdated and need renewal.

Even if the 80 percent cut announced by the communique can be realized, does it mean that Europe will become safer and will be free from a nuclear threat? It seems that Europe still will be under nuclear threat. For example, let us look at the nuclear bombs; after a 50 percent cut, there will still be a number of nuclear bombs deployed in Europe equating to 7,000 atomic bombs of the type dropped on Hiroshima, threatening the European people.

There has not been a concrete proposal regarding when and where to withdraw the nuclear bombs, missiles, and shells under the reduction plan. NATO officials stress that the actual withdrawal will depend on the weather; they said that nuclear weapons cannot be moved under bad weather conditions, and this means that they can always postpone the withdrawal using security reasons.

In addition, the submarines carrying intercontinental nuclear missiles are not on the reduction list, and they can ply European waters as usual and easily aim their missiles at targets in Europe.

The plan to introduce new nuclear weapons to Europe has not been scrapped. The United States, Britain, and perhaps France too, will not easily give up their current plans to develop and perfect air-to-surface tactical nuclear missiles. This kind of missile will replace those outdated and free-fall nuclear bombs.

This kind of air-to-surface tactical nuclear missile is precise, and the aircraft carrying them can be refueled in the air and fly to any place. Due to this capacity, it is called the ideal weapon for dealing with Third World countries which are capable of developing nuclear weapons. Therefore, we can see that an 80-percent cut of the tactical nuclear weapons in Europe will reduce NATO's nuclear arsenal in terms of quantity, but its actual strength will not be affected.

People notice that NATO's new strategy will probably change from the past pattern of large-scale nuclear retaliation to more reliance on highly mobile and well-equipped expeditionary forces. This kind of force can be sent quickly to trouble spots to intervene in the developments of regional events. At the NATO summit scheduled for November, it is likely that the issue of NATO's new strategy will be raised. People are watching the developments of this event.

### East Europe

#### CSFR Premier Arrives, Stresses Cooperation

##### Previews Visit

OW0112110291 Beijing XINHUA Domestic Service in Chinese 0250 GMT 30 Nov 91

[By reporter Liu Tianbai (0491 1131 4101)]

[Text] Prague, 30 November (XINHUA)—Czechoslovak Premier Calfa was interviewed by a XINHUA reporter on the eve of his visit to China. He emphasized that Czechoslovakia wishes to see its friendship and cooperation with China develop further.

Calfa said: "China is a large nation with formidable political and economic strength. It has a particular influence in the international community. Czechoslovakia wishes to preserve and develop its historical friendly relations with China."

The premier said that his China visit starting on 2 December is the first visit to China by a high-level Czechoslovak delegation since November 1989. One of his objectives is to personally brief Chinese leaders on Czechoslovakia's domestic changes, its views on the surrounding world, and its policies in the political and economic realms.

Calfa said: Friendly cooperative relations have existed between Czechoslovakia and China for a long time. Although the two nations have undergone different historical periods in the course of their relations, they have never suspended bilateral cooperation. Czechoslovakia is looking forward to adopting new forms of cooperation to further expand bilateral relations in the areas of economy, science and technology, and culture.

Calfa said: Czechoslovakia wants to explore the possibility of direct cooperation between enterprises of the two countries. He stressed that, following the disintegration of the CEMA, economic cooperation and trade with China is very important to Czechoslovakia. He said: The two nations should send students to study in each other's country and learn each other's language. This will help lay a good foundation for extensive economic cooperation and trade between the countries.

#### Greeted by Industry Minister

OW0212142491 Beijing XINHUA in English 1401 GMT 2 Dec 91

[Text] Beijing, December 2 (XINHUA)—Marian Calfa, premier of the Czech and Slovak Federal Republic, arrived in Beijing tonight by special plane on a six-day official visit to China at the invitation of Chinese Premier Li Peng.

Marian Calfa was greeted at the airport by Zeng Xianlin, chairman of the Chinese Government Reception Committee and minister of light industry.

#### Says Visit 'May' Be Shortened

LD0212174491 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1700 GMT 2 Dec 91

[Text] Czechoslovak Premier Marian Calfa and his entourage arrived in Beijing by plane from Islamabad today. Our correspondent Zbynek Merunka is among the journalists present there:



[Merunka] A special plane carrying the Czechoslovak premier, several ministers, and over 30 representatives of businessmen and industrialists on board landed at Beijing Airport shortly after 2030 this evening. Marian Calfa's official visit to China, during which he will hold talks with the supreme representatives of the country, has begun. As was the case in Pakistan, the talks here will concentrate above all on the development of economic cooperation. Mutual trade volume with China dropped significantly in the last year because of higher prices of Chinese goods following a devaluation of the koruna, the Chinese consumers' shortage of hard currency, and an anti-import policy practiced by China. Despite this, during his flight to Beijing Marian Calfa expressed his conviction that his visit will contribute toward reviving mutual trade and that China certainly represents an important partner with good prospects, especially following the disintegration of the Soviet market.

Shortly before midnight, Marian Calfa, Deputy Premier Pavel Rychetaky, and Ministers Baksay and Holcik met Czechoslovak journalists to assess the results of their talks in Pakistan. Marian Calfa stressed that good relations with Pakistan are the condition for cooperation with the entire Islamic world. That is why it is very important that Pakistan has shown great interest in cooperating with us.

Marian Calfa also briefed us on the situation in Czechoslovakia and noted that his China visit may be cut short. Answering my question on whether the Chinese side will understand a possible change in the program, Marian Calfa said that he briefed the Chinese representatives about this possibility on the way from the airport. He said that cutting the premier's trip short would be rightly understood by the Chinese side as a signal that the internal political situation in our country is extremely serious. Marian Calfa added that for the time being he does not perceive developments in our country in such a way, and that is why he is continuing his visit to China.

#### Li Peng Affirms Ties

OW0312145191 Beijing XINHUA in English  
1437 GMT 3 Dec 91

[Text] Beijing, December 3 (XINHUA)—Chinese Premier Li Peng said here today that changes taking place in Eastern European countries will not affect China's co-operation with those countries on the basis of equality and mutual benefit.

Li made the remark when he held talks with visiting premier of the Czech and Slovak Federal Republic Marian Calfa at the Great Hall of the People.

He said China pursues an independent foreign policy for peace and consistently holds that state-to-state relations should be handled in accordance with the five principles of peaceful co-existence.

"China is willing to develop its friendly co-operation with countries which differ from it in social system, ideology and life style," he added.

According to a Foreign Ministry official, the two sides exchanged views on bilateral relations and international issues of common interest in a friendly and sincere atmosphere.

Li said the peoples of China and Czechoslovakia enjoy a traditional friendship. The two countries also maintain good relations in the fields of trade and economy.

He expressed the belief that, with common efforts, bilateral trade and economic relations will grow steadily on the basis of equality and mutual benefit, and in accordance with needs.

Li noted that the world situation has greatly changed and become more turbulent, which constitutes a new threat to world peace.

He said China is a developing country engaged in the task of achieving modernizations. It needs a peaceful international environment and is concerned about the present turbulent situation in the world.

During the talks Li briefed the Czechoslovak Premier on China's relations with the Soviet Union, Vietnam, India, Japan and the European Community.

Speaking of China's current domestic situation, Li Peng said that China will continue to practise socialism with Chinese characteristics.

The Chinese premier said that the country's economic development and the achievements in reform and opening to the outside world have expanded rapidly due to political stability. Li noted: "We attach great importance to correctly handling the relationship between reform and development and stability."

Li said that past experience has made the Chinese people acutely aware of the importance of stability.

China will not only continue the reform effort, but will deepen it in a step by step manner, said Li, adding that the country will also continue to carry out the opening policy and will open even further to the outside world.

Calfa said the visit to China by such a large a delegation proves that the Czechoslovak Government attaches great importance to the relations between the two countries.

China and Czechoslovakia have long shared friendly cooperative relations, including close economic contacts, said Calfa. He pointed out that China has long been a good trade partner and expressed hope that this relationship would continue long into the future.

Calfa said that Czechoslovakia pays a great attention to the developments of other countries and sincerely wishes to establish good relations with them all.

The Czechoslovak premier briefed Li on the domestic situation in his country and invited the Chinese premier to visit the federal republic. Li accepted the invitation with pleasure.

Prior to the talks, Li presided over a grand welcoming ceremony for the Czechoslovak premier and his party, at the Great Hall of the People.

Later, the Chinese premier hosted a banquet in honor of the distinguished guests.

The Chinese premier's wife, Zhu Lin, also attended the banquet along with Vice-Premier Wu Xueqian, Secretary-General of the State Council Luo Gan, and the Minister of Light Industry Zeng Xianlin, who is also chairman of the Chinese Government reception committee.

## Political & Social

### XINHUA on Dai Qing Exit Application

OW0312101691 Beijing XINHUA in English  
1003 GMT 3 Dec 91

[Text] Beijing, December 3 (XINHUA)—Dai Qing has resigned her post at GUANGMING DAILY [GUANGMING RIBAO] and submitted her application for going abroad. She is now going through the exit formalities, according to public security sources here today.

The sources said that according to regulations of the public security departments, all Chinese citizens who are not detained or imprisoned according to law by the Chinese public security or justice departments, including those who have been released after serving their sentences, can apply for exit formalities according to relevant regulations, no matter what political views they hold.

### Deng Reportedly Gives Three-Point Directive

HK0312093791 Hong Kong PAI HSING in Chinese  
No 253, 1 Dec 91 p 3

[By staff reporter: "Deng Xiaoping's Latest Three-Point Directive on Peaceful Evolution, Four Cardinal Principles, Reform and Opening Up"]

[Text] Hong Kong, 21 Nov (PAI HSING)—According to a visitor from Beijing, under circumstances in which the power struggle inside the CPC top echelon is becoming increasingly acute with each passing day, the conservatives headed by Chen Yun are going all out to stress the importance of resisting peaceful evolution, and Deng Liqun and his ilk are doing their utmost to create public opinion inside the party openly and in secret, while threatening that if the four cardinal principles are given up, failing to differentiate "capitalism" from "socialism," and failing to prevent peaceful evolution through all-out efforts would be the end of the party and the state.

Deng Xiaoping knew very well that Deng Liqun's anxieties regarding the end of the party and the state are false, and what Deng Liqun really goes after is the power of ideological control and vested interest. It was under such a background that on different occasions inside the party, Deng Xiaoping recently gave an important three-point directive on "preventing peaceful evolution," adhering to the four cardinal principles, and differentiating the "capitalist" from "socialist" nature in reform and opening up. Deng Xiaoping stated:

The prevention of peaceful evolution should be confined to the party's top echelon, for the pursuit of peaceful evolution is possible only by senior cadres. As to the man in the street, it is impossible for him to pursue peaceful evolution even if he wants to. The Soviet example is evidence to that point. China is under the CPC leadership. So long as the Communist leading tier earnestly adheres to the "four cardinal principles," who else is capable of making peaceful evolution come true in China?

On adherence to the four cardinal principles, Deng Xiaoping said, this chiefly refers to the 50 million party members; not all the 1.1 billion Chinese people are expected to adhere to the four cardinal principles. Actually such a demand can never be fulfilled. Freedom of religious belief is stipulated in the Constitution, and ideological differences are acknowledged in Mao Zedong Thought; therefore, we should not demand unanimity. However, there are different requirements on party members, who must adhere to Marxism-Leninism-Mao Zedong Thought as their guidance in thinking, while adhering to the socialist system, the party leadership, and proletarian dictatorship.

Aiming at Deng Liqun's emphasis on differentiating "capitalism" from "socialism" in reform and opening up, Deng Xiaoping said, reform and opening up mean just that, and the problem of their "capitalist" or "socialist" nature does not exist. The purpose of reform and opening up is to complete and perfect socialism with Chinese characteristics. If differentiation between "capitalist" and "socialist" nature is required, that will only cause confusion in people's minds.

Deng Xiaoping emphasized that at present, the most important point is to take economic construction as the center to make the economy improve. Unless a war breaks out with a foreign country, this point must be grasped firmly. Should the prevention of peaceful evolution be regarded as another center, that would pound at and interfere with economic construction as the center.

The visitor from Beijing, who has knowledge of the power strife inside Zhongnanhai, pointed out, Deng Liqun's intention to emphasize differentiation between the "capitalist" and "socialist" nature in reform and opening up lies in attacking and playing down Deng Xiaoping's "cat theory"—"be it a white or black cat, a cat that catches rats is a good cat." In a vain attempt, Deng Liqun is trying to turn back the wheel of time. Deng Xiaoping has seen through Deng Liqun's evil plot; that accounts for why Deng Xiaoping has repeatedly emphasized in his recent speeches that no differentiation between "capitalist" and "socialist" nature of reform and opening up should be made. However, behind Deng Liqun, there is Chen Yun, who is higher in party seniority. What Deng Xiaoping did was simply reasoning in his speeches to ideologically remove the roadblock to deepening reform and further opening up.

### Jiang Zemin at CPC, Nonparty Persons' Meeting

OW0312135091 Beijing XINHUA Domestic Service  
in Chinese 0623 GMT 3 Dec 91

[By reporters Liu Zhenying (0491 2182 5391) and Zuo Aiguo (6760 2497 3046)]

[Text] Beijing, 3 Dec (XINHUA)—On 2 December, the Central Committee of the Communist Party of China (CPC) held a situational report meeting with non-party persons in the Huairan Hall at Zhongnanhai. Jiang Zemin, general secretary of the CPC Central Committee,



made a report to the responsible officers of the various democratic parties and the All-China Federation of Industry and Commerce, as well as the representatives of nonparty persons on the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee.

The meeting was presided over by Comrade Qiao Shi. Ding Guangen, Peng Chong, Chen Junsheng, Wang Renzhong, Luo Gan, and other comrades attended the meeting.

In his speech, Jiang Zemin gave a briefing on the situation of the Eighth Plenary Session of the 13th CPC Central Committee. He said: This time the plenary session mainly examined and adopted the "Decision of the CPC Central Committee on Further Strengthening Agriculture and Work in Rural Areas," and deliberated and passed the "Decision on Convening the 14th National Congress of the CPC." The comrades who attended the plenary session stimulated their thoughts and spoke freely. The meeting fully displayed a democratic spirit; it aroused revolutionary vigor, and enhanced unity; it emancipated the mind to seek truth from facts; and it was a lively and highly effective meeting.

Jiang Zemin said: The Seventh Plenary Session of the 13th Central Committee of the party, convened at the end of last year, set forth the basic tasks and various principles and policies for our country's economic and social development in the coming decade and during the Eighth Five-Year Plan period. At the beginning of this year, in accordance with the demands of the Seventh Plenary Session, the CPC Central Committee, while making work arrangements, stipulated that proper attention must be paid to three major tasks, namely striving for steady economic development, strengthening party building, and maintaining social stability. The Central Committee held that doing a good job of boosting our economy, in particular invigorating state-run large and medium-scale enterprises, and maintaining steady agricultural development is the basis for safeguarding stability and doing other various tasks well; it is also one of the important preparations for the convening of the 14th National Congress. He said: Recently, we held two important meetings; one was the central work meeting, during which we studied the issue of how to invigorate state-run large and medium-sized enterprises; the other was this Eighth Plenary Session, during which we studied how to strengthen agriculture and the work in rural areas. The issues we studied at these two meetings are interrelated and are key symbiotic links. Only by embracing these two key links can we ensure steady development of our national economy.

Jiang Zemin said: The "Decision of the CPC Central Committee on Further Strengthening Agriculture and the Work in Rural Areas" which was examined and approved at this plenary session was made after making investigations and research as well as soliciting opinions extensively. In the middle of October, the Standing Committee of the CPC Central Political Bureau deliberated the draft of this document, and also decided to gather views from various sources. Various localities and departments, as well as democratic parties and mass

organizations, including the comrades who are present here, have put forward many constructive views to amend the draft and those drafting the document made the amendments accordingly. At a meeting held in the middle of November, the Central Political Bureau discussed and approved, in principle, the "draft decision," and forwarded it for examination and approval by the Eighth Plenary Session. Further amendments were made, based on the views expressed during the deliberations at the plenary session.

Jiang Zemin pointed out: The "decision" fully affirmed the various basic policies for rural areas since the Third Plenary Session of the 11th Central Committee; highly appraised the historic achievements in rural reform and construction during the 1980's, further defined the major tasks for our country's agriculture and work in rural areas in the 1990's, and decided on the corresponding principles and policy measures. He said: This document crystallizes the wisdom of the people of various nationalities in the country. It not only dovetails the basic policies for rural areas since the Third Plenary session of the 11th Central Committee, and conforms to the basic demands of the Eighth Five-Year Plan and the 10-Year Program, but is also further developed in accordance with new situations emerging in rural reform and construction. We believe that, following the implementation of the guidelines of the Eighth Plenary Session and the "decision," our entire party and society will be further mobilized in attaching greater importance to agriculture and strengthening work in rural areas. This is bound to play an important role in building socialism with Chinese characteristics.

Touching on the Eighth Plenum's discussion and adoption of a resolution on the convening of the 14th National Congress to be held in the fourth quarter of 1992, Jiang Zemin said: The party's 14th National Congress will be a very important meeting for China's socialist modernization drive. The Congress will also be historic as it will inherit the past and usher in the future and continue the great undertaking of building socialism with Chinese characteristics, as initiated by Comrade Deng Xiaoping. While looking forward to the convening of the 14th National Congress, it is important for us to thoroughly implement the party's basic line of taking economic construction as the focus, adhering to the four cardinal principles, and persisting in reform and opening to the outside world; to work hard consolidating and developing political stability and unity; to continue deepening reform and open wider to the outside world; and to concentrate efforts to perform the economic work and work in other fields even better.

In introducing the essence of "The Decision of the CPC Central Committee on Further Strengthening Agriculture and the Rural Work" adopted by the Eight Plenum, Jiang Zemin said: The "decision contains 10 parts and forty clauses, primarily covering: 1) the achievements of agriculture and rural work in the 1980's and the main tasks for the 1990's, 2) stabilizing and improving the party's basic policies for rural work and continuing to

deepen rural reforms, 3) raising the overall agricultural production capability, 4) carrying out socialist ideological education and strengthening building of spiritual civilization and legal system in the rural areas, and 5) reinforcing the party's leadership on rural work. Besides, the "decision" also contains clear-cut principles and policies on helping poor areas, developing the western part, and family planning.

Jiang Zemin pointed out: The completion of tasks in agriculture and rural work in the 1990's bears important significance in realizing the second-step strategic objectives. He said: As always, the CPC will continue to cooperate closely with various democratic parties and persons of various sectors in consolidating and promoting rural reform and success and work together in creating a new situation in agriculture and rural work.

Jiang Zemin said: Various democratic parties and patriotic persons of all sectors have played an important role in both the periods of democratic revolution and the socialist revolution and construction. The great success achieved in China's agriculture and rural work in the 1980's was inseparable from your work. You have put forward many fine suggestions in rural reform and development. In particular, during serious floods this year, you have demonstrated the lofty style and the fine patriotism, not only by enthusiastically supporting the disaster areas but also making generous donations that helped lighten the nation's burdens. Jiang Zemin expressed the hope that various democratic parties will continue to play their roles as political parties participating in government and political affairs, widely publicize the spirits of the Eighth Plenum, and make even greater contributions toward building socialism with Chinese characteristics with their superior intelligence.

Jiang Zemin said: The CPC will hold its 14th National Congress next year. Let it be the common aspiration of the people of all nationalities across the country to have a successful convening of the 14th National Congress. He hoped that various democratic parties and patriotic persons of all sectors will continue helping and supervising the CPC and the government to improve their work. Let us work together for stronger nation, wage hard struggle, and greet the convening of the 14th National Congress with excellent achievements in both reform and construction.

Attending the meeting were leaders of the various democratic parties and the All-China Federation of Industry and Commerce, as well as representatives of persons without party affiliation, including Ngapoi Ngawang Jigme, Yan Jici, Rong Yiren, Lei Jieqiong, Zhou Peiyuan, Wang Guangying, Zhao Puchu, Qian Weichang, Cheng Siyuan, Jia Yibin, Peng Qingyuan, Li Ganliu, He Luli, Gao Tian, Ye Duiyi, Tao Dayong, Feng Zhijun, Wu Xiuping, Wan Guoquan, Feng Kexu, Chen Shunli, Chu Zhuang, Fang Rongxin, Yao Jun, Zhang Shiming, Tian Guangtao, Yang Jike, Wang Songda, Xu Caidong, Chen Mingshao, Zhao Weizhi, Cai Zimin, Wu

Ketai, Pan Yuanjing, Li Ding, Ma Yi, Ye Baoshan, Huang Liangchen, and Hu Dingyi.

#### **'Special Article' Examines CPC Plenum Results**

*HK0312082491 Hong Kong TA KUNG PO in Chinese  
3 Dec 91 p 1*

["Special Article" by Kung Shuang-yin (7255 7175 0603):  
"The CPC Attaches Great Importance to Agriculture"]

[Text] Special Dispatch from Beijing on 2 December—The eye-catching Eighth Plenary Session of the 13th CPC Central Committee wound up not long ago. What people on the outside found difficult to understand was that the five-day CPC plenary session had concluded with only a "Decision on Further Strengthening Agriculture and Rural Work." In fact, this just proved that the CPC Central Committee attached great importance to ensuring sustained and steady agricultural and rural economic development. It also fully embodied the CPC Central Committee's foresight and initiative in exercising leadership over rural work and would undoubtedly give a powerful impetus to China's agricultural development and reform and vigorously facilitate the attainment of the second-stage strategic goal of China's national economic and social development.

#### **It Tallies With China's National Conditions**

The "Decision" pointed out: Agriculture is the basis of economic development, social stability, and state independence. The question of peasants and rural areas has always been a fundamental issue in China's revolution and construction. Without rural stability and comprehensive rural progress, it would be impossible to bring about overall social stability and comprehensive social progress. Without a comparatively well-off life for peasants, it would be impossible to bring about a comparatively well-off life for the people of the whole country. And without agricultural modernization, it would be impossible to realize the modernization of the entire national economy.

This conclusion is a summation of historical experience and fully tallies with China's national conditions. Now China's population has reached 1.178 billion and is expected to top 1.3 billion by the end of this century. "Grain is the lifeblood of the people." On the Chinese mainland, daily grain consumption stands at or above 0.74 million tons, being equivalent to the total annual grain output of a grain-based county. The daily pork consumption stands at 47,000 tons, suggesting that about 1 million live pigs have to be slaughtered every day. Daily consumption of edible vegetable oil stands at or above 17,000 tons, suggesting that edible vegetable oil extracted from some 0.555 million mu of rape is consumed every day. Daily sugar consumption stands at or above 16,000 tons, suggesting that sugar pressed from some 48,000 mu of sugarcane is consumed every day. Daily consumption of fresh eggs stands at 18.7 million kilograms, aquatic products at 19.55 million kilograms,

cigarettes at 220 million packs, wine at 36,000 tons.... [ellipses as published] Should China stop developing agriculture, no country in this world would be able to cope with such a huge consumption!

It should be pointed out that China's agricultural burden will grow continuously in the years to come. This tendency will probably be manifested in several ways. First, an ever-growing demand raised by an ever-growing population in agriculture. As stipulated by the state population control quota, by the end of this century, China's population will be growing at an annual rate of 12-15 million. Thus one-fourth of China's annually increased grain output will be consumed by its annually increased population. Second, along with the advancement of China's socialist modernization building, various types of construction are expected to take up 3 to 5 million mu of cultivated land, resulting in a worsening contradiction between a big population and limited land resources and more severe competition for land between such major farm products as grain, cotton, and oil crops. Third, a constantly improving people's livelihood. A leader said: In order to improve the people's food structure, it is imperative to attach great importance to the basic position of agriculture. We Chinese mainly eat grain. We must maintain this principal structure and increasingly improve the protein content of grain. The average quantity of energy used by each one of us every day stands at 2,700 calories, which should be raised to 2,900 calories. Our goal for realizing a comparatively well-off life comprises clothing, food, living conditions, transport facilities, and daily necessities. With regard to food, there is a question of improving food quality. Besides, continued industrial and foreign trade development will also place greater quantitative and qualitative demands on agricultural raw materials and products.

### Three Major Challenges

Moreover, China's agriculture is now facing the following three major challenges: 1) Natural calamities. Given China's complex meteorological and geographical conditions, China's main agricultural production areas are affected by monsoon. China has not yet freed itself from the situation of people having meals at the mercy of the heaven. China either suffers a variety of natural calamities at the same time or suffers one natural calamity after another. China's agriculture is characterized by fighting natural calamities in order to reap a good harvest. 2) Resources. Although China possesses rich arable land, water, and all sorts of biological resources, on a per capita basis, resources are scarce. Therefore, only by actively and steadily opening up new agricultural production zones and developing related industries will it be possible to alleviate the contradiction between its growing social demand and its scarce resources. 3) The environment. On the one hand, we must actively develop agricultural production and provide all types of material products to the society, while on the other hand, we must attach great importance to protecting and

improving the natural environment, maintaining ecological equilibrium, sustaining reserve strength for agricultural development, and ensuring a benign circle for agricultural development.

In face of an increasing agricultural burden and the aforementioned three challenges facing agricultural development, China must further strengthen agricultural and rural work, deepen rural reform, and push ahead with comprehensive rural reform.

### Hong Kong Affairs Officials Observe Plenum

HK3011040391 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Nov 91 p 8

[Text] Two key mainland officials in charge of Hong Kong affairs, Mr Lu Ping and Mr Zhou Nan, attended the five-day Communist Party Central Committee plenum as observers.

Mr Zhou, director of the NEW CHINA NEWS AGENCY (NCNA) in Hong Kong, sat through the plenum, which closed yesterday, and did not return to the territory to officiate the opening of the China Space Technology Exhibition on Thursday.

The former vice-foreign minister, who was posted to the helm of the NCNA early last year, has been named a member of the National People's Congress. He was promoted to become a Standing Committee member this year.

In spite of speculation that he would be inducted into the core of the ruling party, the Central Committee did not mention any changes to its line-up in its announcements yesterday.

It was expected that both Mr Zhou and Mr Lu would gain a seat in the party core because of their portfolios as heads of the NCNA and State Council's Hong Kong and Macao Affairs Office, respectively.

The Central Committee said 171 members of the 175-strong body, plus 105 alternate members attended the session.

Members of the Central Advisory Commission and Central Commission for Discipline Inspection also sat in the meetings as observers.

### Li Peng Meets Hong Kong Enterprises Delegation

OW2811131691 Beijing XINHUA in English  
1212 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese Premier Li Peng met with a delegation from the Hong Kong Chinese Enterprises Association here this afternoon.

During the meeting President of the Association Huang Diyan briefed Li on the work of the association since its founding in June this year.

Li briefed the visitors on China's domestic situation, mainly on China's efforts to revitalize its large and medium-sized enterprises and the work in the rural areas.



Li encouraged members of the association to make contributions for the smooth transition of Hong Kong in 1997, maintaining long-term prosperity and stability in Hong Kong, as well as for the socialist modernization on the mainland.

He also urged the association members to make efforts to boost their business credit and efficiency.

Present at the meeting were Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, and Zhou Nan, director of the Hong Kong Branch of XINHUA NEWS AGENCY, as well as Wang Pinqing, deputy director of the XINHUA HK [Hong Kong] Branch, and Zheng Hongye, president of the China Council for the Promotion of International Trade.

#### Qiao Shi Urges Cadres To Study Marxism, Plenum

OW0112111191 Beijing XINHUA Domestic Service  
in Chinese 1227 GMT 20 Nov 91

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 30 November (XINHUA)—The 11th reading class for provincial-level cadres at the Central Party School graduated today. Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and president of the Central Party School, attended the commencement ceremony and issued diplomas to the graduates.

The class started on 1 September with 106 students.

Some graduates reported on their study experiences at the commencement ceremony. They included He Guangyuan, minister of machine-building and electronics industry; Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee; and Jia Zhijie, governor of Gansu Province.

Qiao Shi expressed the hope that studying Marxism will become a common practice in the party, particularly among the party cadres at various levels. He said: I hope that after you return to your workposts, you will find time to keep studying Marxist theories no matter how busy you are. To meet the needs of day-to-day work and ideological work, you should enhance your understanding of Marxist theories, firm up your faith in communism and socialism, and use Marxist stands, viewpoints, and methods in solving practical problems.

Qiao Shi said that Chairman Mao had pointed out the necessity of studying and mastering Marxism and the need to master it for the sole purpose of applying it. He urged the graduates to cultivate a habit of studying amid busy work. He pointed out that studying will certainly yield good results if it is done with perseverance.

Qiao Shi said: The Central Committee convened two important meetings in the second half of this year. The central work conference concentrated on discussing the

question of how to improve large and medium-sized enterprises. The Eighth Plenary Session of the 13th CPC Central Committee, which has just ended, discussed the central topic of how to do a good job in agriculture and rural work. He called on the graduates to thoroughly study the guidelines of the two meetings, seriously explore new experiences in consideration of local realities, make China's industry and agriculture climb another step in the 1990's, attain the second-step strategic objective of our country, and lay a solid foundation before ushering in the 21st century.

Qiao Shi pointed out: So long as we handle well our internal affairs, constantly deepen reform, open wider to the outside world, and improve our work in all fields under the guidance of the party's basic line, we will be invincible in the changeable international situation.

Xue Ju, executive vice president of the Central Party School, reported on the education of the 11th reading class during the commencement ceremony. He said: Students in this class entered the party school with the common question of how to uphold socialism. In the course of study, they concentrated on studying Marxist theories and pondering important political questions with a keen sense of responsibility and urgency. On the one hand, they integrated theoretical studies with the implementation of the party's basic line. On the other hand, they strived to remold their world outlook and enhance their party spirit in the course of theoretical studies. They have scored great success in this regard.

Among those attending the commencement were Chen Zuolin, deputy secretary of the Central Discipline Inspection Commission; Lu Feng, director of the Central Organization Department; and Zheng Keyang, deputy director of the Central Policy Research Center.

#### Article Reviews Human Rights Issue Theories

OW0312013991 Shanghai JIEFANG RIBAO  
in Chinese 27 Nov 91 p 6

[Article by Shen Baoxiang (3088 1405 4382): "A Review of the Theories on the Human Rights Issue"]

[Text] 1. What is the nature of the issue of "human rights"? At present, this question has at least the following three implications: 1) as a theoretical issue; 2) as a legal issue; and 3) as a political issue. It is a sensitive and important subject in international political conflicts. This article attempts to briefly review the issue from a theoretical perspective, and put forward some views on the matter.

2. In the 18th century, enlightened thinkers of the West initiated the "theory of natural rights." In 1789, the constitutional assembly established during the French Revolution adopted the "Declaration of the Rights of Man and of the Citizen." This is said to be a slogan and concept which had been clearly put forward for the first time. The proposition of the "theory of natural rights,"

the forming of the human rights concept, and the enactment of human rights law and regulations are of great significance in history, and they were also fully affirmed by both Marx and Engels.

3. The human rights put forward by the bourgeoisie are simple in form. They are supposed to embrace all mankind, but in effect, they represent the bourgeois interest only. As pointed out by Marx, they "equally exploited the labor force, and constituted the most important part of human rights of the capitalist." (*Capital I*, page 324) The principal connotation of the bourgeois concept of human rights means individual property ownership, liberty and equality. Its class limitation is very obvious.

4. The UN Charter adopted in 1945, stipulating the fundamental human rights, and the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948 were of progressive significance; however, basically they adopted the bourgeois concept of human rights. Following the development of the world situation, the human rights concept embodied in the UN documents were no longer in line with the objective realities; mainly, they were not in keeping with the aspirations of the oppressed, the enslaved nations and peoples. In the United Nations, the call for a breakthrough of the confines on the concept of human rights of the Western nations became increasingly vociferous. Starting from the 1950's, with countries in the Third World constituting the majority of the membership of the United Nations, new elements of the human rights concept have been continuously introduced into the documents relating to human rights in the United Nations. First, it marked the acceptance of economic human rights, thereby breaking through the convention of confining them merely to political rights. Second, it regarded the rights for self-determination and development as fundamental human rights, thereby breaking through the convention of being confined merely to individual rights.

In 1977, the 32d UN General Assembly passed, by an overwhelming majority, a resolution on a new concept of human rights proposed by the Third World countries. (namely, Resolution No. 32/130) It put forward the ideas which should be taken into consideration in terms of enhancing human rights and basic freedom. This resolution pointed out that human rights should not be confined to individual rights and basic freedom, but should also include the rights and basic freedom of nations and peoples. It stressed that the human rights activities of the United Nations should give priority to resolving issues relating to "racial segregation, colonialism, foreign rule and occupation, invasion, and the threats to national sovereignty, unification and territorial integrity, as well as the refusal to recognize national self-determination and the absolute sovereign rights of all states to enjoy their wealth and natural resources, and the large-scale infringement of human rights of the peoples of various nations, which has an effect on the condition of the fundamental rights of an individual."

The concept of rights should always develop with the progress of history. So be it with human rights. Nowadays, when we talk about human rights, we must fully affirm and also firmly implement the new concept of human rights. Some Western bourgeois political activists and scholars have tried to emphasize the need to safeguard the so-called "semantics of human rights." As a matter of fact, they merely attempt to stick to the parochial traditional human rights concept. They are the people who lag behind the times as far as the human rights issue is concerned.

5. Marx and Engels made many expositions on human rights. Their expositions can be summed up in three points: 1) Fully affirm the historical progressive nature of human rights promoted by the bourgeoisie. Marx termed the U.S. 1776 Declaration of Independence "the first declaration on human rights"; 2) The essence and limitations of the bourgeoisie which raised the issue of human rights; and 3) The bourgeoisie opposed making human rights a slogan of the proletariat for seeking emancipation.

In answering a question concerning the attitude of communists toward human rights, Marx and Engels said in the *German Ideology*, [de yi zhi yi shi xing tai 1795 1942 1807 1942 6221 1748 1966] a book jointly written by them between 1845 and 1846: "Speaking of rights, we and many other people have emphatically pointed out the dissenting position of communists on political rights, private rights, and the most common form of rights—human rights." (*Complete Works of Marx and Engels*, Volume Three, pages 228-229) Two points have to be explained regarding this: 1) In the Introductory Remarks to Critique of Hegel's Law and Philosophy, written between the end of 1843 and January 1944, Marx said: "We can no longer seek help from historical rights, but can only seek help from human rights." (*Complete Works of Marx and Engels*, Volume One, page 14) There were profound ideas and colorful words in this early work of Marx, but the passages in this work are not clear. Therefore, they cannot be used to explain his explicit views and principled position on human rights. 2) In the foreword to the Provisional Charter of the International Workers' Association (the First International), drafted in October 1864, Marx said: "A person has the responsibility to demand human rights and the rights of the citizen not only for himself but also for every other person who carries out his obligations." (*Complete Works of Marx and Engels*, Volume 16, page 16) But these words were added at the insistence of other members of the drafting committee for the charter. In his letter to Engels, written on 4 November 1864, Marx made an explanation regarding these remarks. Before the charter was republished in 1871, Marx deleted the remarks which he had made on human rights. (See *Complete Works of Marx and Engels*, Volume 17, page 476)

There are many expositions on human values, freedom, and equality in the works of Marx and Engels, but these expositions were not made under the topic of human rights. Now, some works have combined the above two remarks by Marx and the expositions on human values, freedom, and equality made by Marx and Engels on

various occasions and, after adding their own understanding and interpretations, have termed them "Marxist viewpoints on human rights" and "proletarian views on human rights." On this point I beg to differ.

Lenin's views on human rights were completely identical to those of Marx and Engels, but he placed special emphasis on exposing the limitations and hypocritical nature of the human rights preached by the bourgeoisie. Lenin further pointed out: "The principle for eliminating feudalism and its vestiges in order to put into practice the bourgeois (it is entirely justified to say bourgeois democratic) system has occupied an entire era in the history of the world, and the slogans during the historical era were freedom, equality, ownership, and pensions. The principle for eliminating capitalism and its vestiges in order to put into practice the communist system has become the content of the world's new historical era which has begun. The slogans during this era are bound to be and also should be the following: Eliminating classes; putting into practice the dictatorship of the proletariat, relentlessly exposing the prejudices of petty bourgeois democrats on freedom and equality, and waging a relentless struggle against these prejudices." Lenin clearly put forward the slogan of "eliminating classes," but he opposed making human rights a slogan of the proletariat. The Declaration of the Rights of Exploited Laboring People, drafted mainly by Lenin and adopted at the beginning of 1918, was not formulated under the guidance of the human rights theory. No wording on human rights was used in the document itself.

6. During the period of the democratic revolution, the Chinese Communists used the slogan and concept of human rights. They raised the slogan "Fight for freedom and fight for human rights" during the general strike of 7 February 1923. (See 20th issue of XIANGDAO) The famous 1 August Declaration of 1935 raised the slogan "Fight for human rights and freedom." The concept of human rights was used repeatedly in the documents on the building of Soviet political power and anti-Japanese democratic political power in revolutionary base areas, and many "regulations for protecting human rights" were created; for example, the Regulations for Guaranteeing Human Rights and Financial Rights in the Shaanxi-Gansu-Ningxia Border Areas, the Regulations for Guaranteeing Human Rights in Northwest Shanxi, the Rules for the Implementation of the Regulations for Guaranteeing Human Rights in the Bohai Area, and the Revised Regulations for Guaranteeing Human Rights in the Huaihai Area. Under the conditions of that time, human rights was an anti-imperialist and antifeudal slogan and constituted a specific democratic policy. The above facts show that the Chinese Communists attached importance to human rights.

7. Since the founding of the People's Republic of China, the Chinese Government has on many occasions announced its principled attitude and position on human rights. At the Asian-African Bandung Conference of 4 April 1955, Premier Zhou Enlai explicitly indicated

that the Chinese Government respected basic human rights. In his report to the enlarged session of the Standing Committee of the National People's Congress after he had returned home, Premier Zhou Enlai once again stated that "the 10 principles of the declaration" of the Asian-African conference "also include the principles of respecting basic human rights, the purpose of the UN Charter, justice, international obligations, and the peaceful solution of international disputes. These are the principles that the Chinese people have consistently advocated and that China has always respected."

In April 1989, Premier Li Peng announced at a news conference for Chinese and foreign reporters: "The Chinese Government attaches importance to the issue of human rights." (4 April 1989 RENMIN RIBAO, page 3) Many Chinese leaders have since made similar remarks to the international community.

During the period of the democratic revolution, the meaning of human rights did not go beyond the boundary of bourgeois democracy. This is particularly true if policy is considered. Under the conditions of socialism, human rights take on new meanings. This is primarily a result of the direct link between human rights and socialism, which makes it necessary to devise a new theoretical explanation and exposition of human rights.

8. Although the Chinese Government has on many occasions made clear its principled position on respecting human rights since the founding of New China, the study of human rights theory has fallen far behind and thus failed to meet the objective needs. One of the purposes of the UN Charter is to guarantee basic human rights. Moreover, China is a permanent member of the UN Security Council. Since the end of World War II, human rights has become a concept universally accepted by the United Nations and the entire international community. Viewed from international struggles, on the one hand, there have been important developments in the concept of human rights, and it is necessary to make a new theoretical generalization of the issue. On the other hand, the bourgeoisie in the West continues to measure the condition of human rights in socialist countries with their yardstick of outdated human rights concepts, unscrupulously slandering socialist countries. This has brought about theoretical and ideological confusion. Therefore, we need to expose its schemes and refute and clarify its accusations. This means that there must be new creation and breakthrough in human rights theory.

Comrade Deng Xiaoping said in 1985: "What are human rights? Are human rights for a small number of people? Are human rights for the majority or for the minority, or for the people of the whole country? So-called 'human rights' as understood in the Western world and human rights we talk about are two different things. There are different viewpoints regarding this matter." (Revised and enlarged edition of "Build Socialism With Chinese Characteristics," page



111) His remarks are not only meant for the West but have also provided guidance and set the demand for our research in human rights theory.

9. To expound "what we call human rights," we should create a concept of "socialist human rights." Under the general subject of "socialist human rights," we should create, expound, and develop our theory of human rights. By so doing, we will be able to hold high the banner of socialist human rights, which will be different from and opposite to the Western concept and theory of human rights. Thus, we will be able to wage a struggle more forcefully and effectively against acts of the West in opposing socialism and interfering in our country's internal affairs on the pretext of human rights. This will also be conducive to enhancing the awareness of the cadres and masses with regard to human rights and strengthening the protection of human rights in our country.

10. To create a concept and theory of "socialist human rights" we can draw on the experience of creating the concepts and theories of "socialist democracy" and "the socialist commodity economy." Democracy is a widely used concept by the bourgeoisie. The bourgeoisie instituted a bourgeois political system. Marxism-Leninism drew something useful from the bourgeois political system and created the new concept of "socialist democracy," which is opposite to and different from bourgeois democracy. We can do the same thing in dealing with human rights. We may make socialist human rights opposite to and different from bourgeois human rights. Marx and Engels did not advocate using the concept of human rights under socialist conditions (as a matter of fact, there is no such term or concept as human rights in the *Communist Manifesto* and other classical works), but we may create a concept of human rights according to the new situation. This is similar to the case in which Marx and Engels held that there is no commodity economy under socialist conditions, but we have created the concept and theory of "the socialist commodity economy."

11. The concept and theory of socialist human rights should be created mainly on the basis of the principles of scientific socialism and by summarizing practical experiences. They may and should draw on some elements of the theory of bourgeois human rights and, more importantly, on the relevant aspects of the new theories of human rights created since World War II. The concept and theory of socialist human rights should be included in the theoretical system of socialism with Chinese characteristics.

12. It is a glorious task for theoretical workers to create a concept and theory of socialist human rights. This should be done by relying on the concerted efforts of large numbers of theoretical workers to pool their wisdom and by letting a hundred schools of thought contend.

#### **Commentator on Guaranteeing General Interests**

HK0212061191 Beijing GUANGMING RIBAO  
in Chinese 12 Nov 91 p 1

[Commentator's article: "Firmly Establishing View of Seeing Situation as a Whole"]

[Text] All Communist Party members, especially leading cadres at all levels, are required to bear the whole situation in mind, guarantee the interests of the whole first when dealing with everything, and consciously make partial and local interests subordinate to general interests. This is a basic requirement for them. At present, it is of special significance to stress this point.

Guaranteeing the interests of the whole is an important guiding principle for the cause of revolution and construction led by the Communist Party. As the vanguard of the working class, the Communist Party does not proceed from the partial and immediate interests of a small number of people, but takes the overall, fundamental, and long-term interests of the broad masses of the people as the starting point and ultimate aim of all its words and deeds. Therefore, firmly keeping the viewpoint of guaranteeing the interests of the whole is a principle determined by the party's nature. Following such a principle is a major criterion for judging whether leading cadres at various levels measure up to standard. Mao Zedong pointed out long ago: "We should encourage comrades to take the interests of the whole into account. Every party member, every branch of work, every statement, and every action must proceed from the interests of the whole party. It is absolutely impermissible to violate this principle." Practice has shown that firmly upholding the principle of guaranteeing the interests of the whole is a need in our effort to unify the whole party's thinking and actions, a need in our effort to raise the party's fighting capacity, and a basic guarantee for fulfilling various strategic objectives set forth by the party central leadership.

Socialist modernization, reform, and opening up constitute a gigantic systems engineering project. To successfully fulfill these tasks, we need to make across-the-board arrangements and properly coordinate the work of all localities and departments in drawing up overall and systematic plans. As component parts of the systems engineering projects, various localities and departments must bear in mind the interests of the whole. Otherwise, what they do may harm the interests of the whole and affect the successful development of our cause as a whole. However, we must note that in our country's present political, economic, and social situation, some comrades are still not used to considering things from the viewpoint of general interests and still cannot properly handle the relationship between the whole and the parts. They may improperly overemphasize their partial interests and disregard the interests of the whole while seeking their partial and local interests. They may justify their behavior by stressing the particularity of their local situation and defy the policy decisions and plans made by the party and the central government. They may even adopt a utilitarian attitude toward the policies and plans laid down by the party and the central government, and selectively put those favorable to them into practice, while neglecting those they do not like. All such things seriously affected the effective control of the central authorities and harm the party's and the state's general interests. They must be corrected in actuality.

To firmly keep the viewpoint of the interests of the whole, it is of great importance to maintain the unified leadership of the party and the government. The principles, policies, decisions, plans, and programs of the party central leadership and the State Council are all formulated for guaranteeing the fulfillment of the central task in a certain period and the achievement of the long-term objectives in our country. They are the results of combining the basic principles of Marxism with the practice of socialist modernization in China and are representative of the fundamental interests and requirements of the people of all nationalities throughout the country. Safeguarding the solemnity of these principles, policies, decisions, plans, and programs and guaranteeing their implementation will safeguard and guarantee the interests of the whole; otherwise, the interests of the whole will be weakened and damaged. In recent years, we often saw that although the party central leadership and the State Council issued repeated orders and instructions, some localities, departments, and units did not actually implement them and just continued to go their own way. Such behavior not only violated discipline, but also went against the party spirit principle. Every Communist Party member and every leading cadre must set an example in safeguarding the authority of the party and government and in carrying out the policies of the party and government.

Ours is a socialist country. Economically, we must concentrate the necessary financial and material resources so that the central authorities can conduct some projects that go beyond the capacity of localities. This has a great bearing on the people's fundamental interests and is also a major manifestation of the superiority of the socialist system. For example, in this year's antiflood struggle, without the centralized leadership and across-the-board arrangements of the party and government, without the action of all localities, all departments, and all units to guarantee the interests of the whole, and without the concerted efforts of the people throughout the country, it would not have been possible to win victory in surmounting serious flooding that has not been seen in the past 100 years in Jiangsu and Anhui. We should notice that although our country has vast territory and a huge population, the per capita quantity of resources is not rich and there is great disparity between different localities. Only through comprehensive coordination and planning in the entire country can the limited resources and funds yield the greatest possible results. This is a correct option based on our national conditions and is also an inevitable requirement for the sustained, stable, and harmonious development of the socialist economy. Historical experience has shown that if there is no effective overall control, the situation will become unstable and the fundamental interests of the people will not be guaranteed. In such circumstances, even if good results are achieved in a certain locality or a certain department, its favorable situation will not last long.

By stressing the need to keep the viewpoint of guaranteeing the interests of the whole and proceeding from the

interests of the whole in dealing with everything, we certainly do not mean that partial interests can be neglected. The whole consists of the parts. Without the parts, there cannot be so-called interests of the whole. If the work in various localities and departments is not done well, the interests of the whole will lose the foundation and the guarantees. Therefore, when the party lays stress on the interests of the whole, it also always attaches importance to the partial interests. This point finds full expression in a series of principles and policies for the economic reforms adopted by the party after the Third Plenary Session of the 11th CPC Central Committee. In more than 10 years, through such measures as delegating more powers to and leaving more profits in the hands of localities and enterprises, the central authorities have changed the previous practice of too rigidly and too extensively controlling economic activities. Such measures have played a major role in arousing the initiative of the localities. The problem was, while arousing local initiative in the previous few years, we neglected necessary overall control and did not lay sufficient stress on guaranteeing the interests of the whole. Therefore, since the Fourth Plenary Session of the 13th CPC Central Committee, the party central leadership with Comrade Jiang Zemin as the core has repeatedly instructed the whole party to increase the sense of guaranteeing the interests of the whole. However, this does not at all mean that we are to deny the need to further arouse local initiative.

In his speech at the recent central work conference, Comrade Jiang Zemin once again pointed out: "Comrades in the whole party, especially leading cadres, and primarily those at the provincial and ministerial level, should take the whole country into account and give first consideration to the interests of the whole." This represents the ardent hope that the party central leadership pins on leading cadres at all levels. It is believed that leading cadres at all levels will firmly keep the viewpoint of guaranteeing the interests of the whole, correctly handle the relationship between the whole and the parts, and do a better job in all fields under the unified leadership of the party center and the State Council.

#### Officials' 'Responsibility' to People Urged

HK2811090091 Beijing CHINA DAILY in English  
28 Nov 91 p 4

["It Seems to Me" column by Li Nan: "Beware Selfish Social Climbers"]

[Text] Fanatical support for your favourite football team or collecting stamps or pictures of film stars may not do a lot of good, but it certainly won't do much harm. But there is real danger in the fanatical pursuit of power.

Unlike the others, this craze should be eliminated from our society.

What I mean is that some government officials are crazy about power. Instead of making every effort to do their work well and improve their performance, these officials

spend all their time soliciting help from potential backers to get further promotion for themselves.

Though they are eager for promotion, their sense of responsibility for their work is deplorably weak. It seems that they are interested in nothing but power. For they think that more power means more personal gain.

In fact, most of these officials are good at nothing but fawning on their superiors. It is no exaggeration to characterize them as power-hunters.

If these people are not assigned to important posts, they may not do much harm to society. The trouble is that, more often than not, they seem to be able to get what they want by their tricks.

We'd like to think that talent, intelligence and hard work determine whether officials get promoted or not.

They do—up to a point. But other considerations often come into it, too.

Some leaders appoint people to posts not on merit but from favoritism. They promote their favorites and help them in order to build up their own influence.

Thus, to serve their own selfish ends, these leaders give the green light to the power-hunters.

Once we realize this it comes as no surprise to discover there are managers of industrial enterprises who know little about industry and directors of mines who hardly have any knowledge about mining.

And what is more, when these inept officials cause great losses because of poor management, instead of being called to account, they are transferred to another post, and a higher one at that.

Such leadership is unworthy of our first generation of revolutionary leaders, who stressed again and again that government officials should be judged by their diligence and conscientiousness in serving the people.

Such leadership is unworthy of the people who place expectations in them.

In China's history, such malpractices have invariably corrupted social values and hindered development.

However, there was a time when all our officials behaved honestly and selflessly to develop the economy and serve the people, and they had won the confidence of the whole nation.

Let us hope that today's officials do some serious soul-searching about their responsibility to the people and the country.

We do not expect a completely clean sweep at one stroke, but there ought to be a turn for the better, and continuous improvement.

#### **Wang Zhen Writes Hunan Party School Inscription**

HK2811100691 Changsha Hunan People's Radio  
Network in Mandarin 2300 GMT 25 Nov 91

[Text] The Hunan Provincial Party School under the Hunan Provincial CPC Committee has been established for 40 years.

Yesterday morning, provincial party committee leaders, including Dong Zhiwen, Zhu Dongyang, and Li Jianguo, as well as Zhao Peiyi, provincial party committee organization department director, and some other leaders, personally went to the provincial party school to extend their congratulations.

Wang Zhen, state vice president; Xu Ju, Central Party School executive vice president; Xiong Qingquan, provincial party committee secretary; Liu Fusheng, provincial people's congress standing committee chairman; Mao Zhiyong, secretary of the Jiangxi Provincial Party Committee; and other leading comrades had written inscriptions in celebration of the 40th anniversary of the founding of the provincial party school.

Sun Wensheng, Zhou Li, and other leaders, as well as some veteran comrades, also sent congratulatory letters or telegrams.

Comrade Dong Zhiwen delivered an important speech at the celebration rally, at which Yin Sheng, provincial party school president, stated: No matter what changes take place in the world, we will exert our utmost to build our party school into a front for training people loyal to Marxism and will make persistent efforts to educate and train people with Marxism-Leninism-Mao Zedong Thought.

#### **Song Ping, Qiao Shi Condole Official's Death**

OW2811031991 Beijing XINHUA in English  
0156 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Hu Ziang, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], died of disease on Nov. 19, at the age of 95, in Beijing. The remains will be cremated today.

Hu, born in Chongqing, Sichuan Province, graduated from Beijing Agriculture University in 1923. He was director of the Chongqing Municipal Educational Bureau, director of the Sichuan Provincial Construction Bureau and at a series of industrial and business posts in Sichuan Province before the 1949 liberation.

After the liberation, Hu successively held the posts of Chongqing mayor, vice-chairman of the China Democratic National Construction Association's Central Committee, chairman of the All-China Federation of Industry and Commerce, representative of the First Plenary Session of the CPPCC, vice chairman of the Fifth and Sixth CPPCC National Committee, and a member of the Standing Committee of the Second to Fifth National People's Congress.



When Hu was sick, Ding Guangen, Wang Renzhong and a number of other officials went to the hospital to see him. Song Ping and Qiao Shi, members of the Standing Committee of the CPC Central Committee Political Bureau, and other Chinese leaders from the departments concerned visited his family to express condolences or sent messages of condolence to his family members after his death.

#### **Song Ping, Li Tieying on Family Planning**

*OW0312052991 Beijing XINHUA Domestic Service  
in Chinese 1101 GMT 2 Dec 91*

[By reporters He Ping (0149 1627) and Yu Changhong (0060 7022 3163)]

[Text] Beijing, 2 Dec (XINHUA)—Song Ping, member of the Standing Committee of the CPC Central Committee Political Bureau and chairman of the China Family Planning Association, today pointed out that the situation of family planning work is relatively good this year. He said: The party Central Committee has attached great importance to the work; responsible comrades of party and government organizations at various levels in all localities have personally grasped the work, adopted practical and effective measures, and placed the work in their important daily agenda; and comrades of family planning associations in various localities have also worked hard and achieved good results. However, we should also see that our country is now in the peak child-bearing period and the situation of population control is still very grim. Therefore, we must not slacken our efforts in the slightest degree. Family planning is a basic national policy and we must firmly and solidly grasp this work.

Song Ping made the above remarks when he attended a discussion meeting attended by responsible comrades of party and government organizations, people's congresses, and local committees of the Chinese People's Political Consultative Conference from various provinces (regions and municipalities) who also assume the posts of chairmen or honorary chairmen of family planning associations. Those responsible comrades are currently attending the second meeting of the third council of the China Family Planning Association.

Song Ping said: The focal point of family planning work is in rural areas, and stress must be laid on the work at the village level. We should carry out the work down to families and individuals. Family planning is a mass task. As a mass organization, the family planning association in various places should give full play to its role and help concerned departments of the government do a good job in the work. Comrades of the family planning associations should follow the method of mass work to go among the masses, publicize family planning work, and organize the masses to carry out the tasks. Meanwhile, they should enthusiastically serve the masses. They should arouse the masses' enthusiasm by reasonably publicizing the work and providing various services.

They should excite the masses' consciousness of implementing the policy of the party and state and rely on the masses to successfully accomplish the task of family planning. In this way, they can maintain closer ties with the masses in addition to doing a good job in family planning work.

Song Ping also emphatically pointed out that family planning work is comprehensive work that is related to many departments. He hoped that departments of civil affairs, culture, education, public health, insurance, trade unions, women's federations, and Communist Youth League organizations would all support and help the work.

Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, fully affirmed the role of family planning associations at today's meeting. He held that it is a good form of self-education and self-service by the masses.

We cannot enable all our people to live a fairly comfortable life without better living standards among the rural population. In order to enable the people to live a fairly comfortable life, we must control the population growth. Strengthening the family planning association work means strengthening the family planning work. That was the common understanding reached at today's discussion meeting.

Luo Qiuyue, vice chairman of the Standing Committee of the Hunan Provincial People's Congress, described the province's present population situation as "good." Since 1987, the province has paid good attention to establishing family planning associations at the grass-roots level in rural areas and thus effectively promoted family planning work in the province. Luo Qiuyue held that we must work hard in rural areas in carrying out family planning work, that the work is more difficult there than in urban areas, and that there is more chance in rural areas to achieve success in carrying out family planning work in all areas. We can bring about a better situation in family planning work by further improving the work of family planning associations.

Ningxia was a noted backward region in family planning work. In the past three years, a responsibility system linked with the attainment of family planning objectives was implemented and the situation in the region has improved. Yang Huiyun, vice chairman of the autonomous regional government, said: Despite the improvement, the population situation in the autonomous region is still grim. Family planning associations should assume the historically heavy task and extensively publicize family planning education among the masses and excite the masses' initiative in family planning work.

Liaoning Province, where family planning associations have been established in more than 90 percent of the townships, towns, and neighborhoods, has always been an advanced province in family planning work. Zhang Zhiyuan, vice chairman of the Standing Committee of the Liaoning Provincial People's Congress, pointed out:

Establishing family planning associations in townships and villages and educating the masses by those who are close to them can achieve effective results in controlling population growth and promote closer ties between the cadres and the masses and the steady development of other work in rural areas.

There are 38 million members of family planning associations throughout the country, of which Shandong Province accounts for 4 million. Shandong Vice Governor Song Fatang stressed the importance of enthusiastically providing various services for people of child-bearing age by family planning associations. In Shantong's rural areas, providing home services for four different occasions has become a common practice. During the honeymoon period, family planning associations will supply books for newlyweds; when a woman becomes pregnant, they will supply books about pregnancy; when a woman gives birth, they will furnish pamphlets on postpartum care; and when the baby reaches 100 days, they will furnish books on contraception. Their practice is much welcomed by the peasants.

Huang Ming, former vice chairman of the Fujian Provincial Advisory Committee, and Lu Chuanzan, deputy secretary of the Hebei Provincial party committee, pointed out the role of veteran comrades and the significance of their going deep into the grass-roots level and working together with the masses in promoting family planning work. We must pay attention to discovering weak links and help the masses solve various problems in order to encourage the masses to take the initiative in family planning work.

At today's discussion meeting, the participants also mentioned the need to create a favorable economic and social environment for family planning work and to strengthen leadership over the work.

Prior to the meeting, Song Ping and Li Tieying met with all representatives attending the second meeting of the third council of the China Family Planning Association. Peng Peiyun, minister of the State Family Planning Commission, also attended the meeting and the forum.

## Military

### CPC To Set Directives on Personnel Changes

OW0312040491 Tokyo KYODO in English 0327 GMT 3 Dec 91

[Text] Beijing, Dec. 3 KYODO—The Chinese Communist Party will put the finishing touches to a set of directives to the military and personnel changes in the army at an expanded meeting of the Central Military Commission that opened Tuesday, Chinese sources in Beijing said.

Taking lessons from August's botched coup by Communist Party hard-liners in the Soviet Union, the meeting participants, including Commission Chairman Jiang Zemin, First Vice Chairman Yang Shangkun and his

brother Yang Baibing, the commission's secretary general, are expected to discuss the strengthening of political education in the armed forces, the sources said.

The meeting will be large-scale, with party Central Committee members and representatives from various military regions in attendance, they said.

The sources said there will be changes in senior executive posts in the General Staff headquarters and middle-management executive posts in the military regions in an effort to tighten the party's control over the Chinese military.

Beijing has already made significant changes in the military staff since the 1989 military crackdown on the pro-democracy movement in Tiananmen Square.

The Chinese military leaders are also likely to discuss technology advancement and expansion of the military budget because of calls for strengthening military technology development and weapons modernization since the Persian Gulf war, the sources said.

### Tibet Military Views Plenary Session Guidelines

OW0312083591 Lhasa Tibet Television  
Network in Mandarin 1300 GMT 2 Dec 91

[From the "Tibet News" program]

[Text] [Video opens with a medium shot of a meeting room with the participants seated round an oblong table. It then shows closeup shots of the leaders as their names are mentioned.] On the afternoon of 30 November, the party committee of the Tibetan Military Area Command held a meeting to discuss the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee. Comrades Geng Quanli, Gama Cedain, Jiang Chengguang, Deng Yongliang, and Liu Shiguo, members of the party committee, attended the meeting.

At the meeting, Comrade Geng Quanli, deputy secretary of the party committee, pointed out: The Decision of the CPC Central Committee on Further Strengthening Agriculture and the Work in Rural Areas adopted at the Eighth Plenary Session of the 13th CPC Central Committee has comprehensively summed up our country's achievements and experiences in agriculture and the work in rural areas since the Third Plenary Session of the 11th CPC Central Committee, as well as profoundly expounded the overall goal, major tasks, and the party's policy for our country's socialist construction and reform in rural areas in the 1990's. It is an important document of our party to guide the work in rural areas and promote agricultural development from now on. Geng Quanli said: Tibet is situated in a border region. To promote a stable development of its agriculture and animal husbandry, we must have a peaceful and stable situation. Our troops have a heavy responsibility. We shall definitely make unremitting efforts to fulfill the tasks of fighting against external aggression and internal splittism. In the meantime, our troops must actively participate in various

construction tasks in Tibet, to contribute toward industrial and agricultural development.

At the meeting, the participants put forward many suggestions on the implementation of the guideline of the Eighth Plenum in accordance with the troops' actual situation. The party committee of the command had issued a circular to troops stationed across the region, asking party organizations at all levels and the vast number of party members to earnestly learn the guideline and take practical actions to support local construction.

#### More on Commemoration of Xu Xiangqian Anniversary

##### Hong Xuezhi Speech

HK2711120091 Beijing RENMIN RIBAO in Chinese  
9 Nov 91 p 5

[Report: "Hong Xuezhi's (3163 1331 2535) Speech at Meeting in Commemoration of 90th Birth Anniversary of Comrade Xu Xiangqian, Held in Beijing on 8 November 1991"]

[Text] Comrades:

Today, we cherish a feeling of great reverence for Marshal Xu Xiangqian, a great proletarian revolutionary and military strategist, at this grand meeting to commemorate his 90th birth anniversary. At the same time, this is also the 60th anniversary of the founding of the Fourth Front Army of the Red Army established and commanded by Marshal Xu. At this moment, we miss him more deeply.

Comrade Xu Xiangqian was born to a poor peasant's family in Wutai County, Shanxi Province. In his early years, he was an apprentice, personally tasted the hardships of the working people in old society. In 1919, when studying in Shanxi National Teachers College, he participated in the May Fourth patriotic student movement. In 1924, he passed the entrance examination and was enrolled to the Huangpu Military Academy as a cadet of the first class, and began his military career. There, he got to know Jiang Xianyun and some other progressive Communists and took an active part in the activities of the Young Soldiers' Federation. As a member of Sun Yet-sen's bodyguard squad, he joined the northern expedition in Shaoguan. Then he also participated in the first eastern expedition against Chen Jiongming.

In 1927, he participated in the famous Guangzhou Uprising and was then leader of the Sixth Brigade of the Workers' Red Guards. After the uprising troops were reorganized into the Fourth Division of the Red Army, he was appointed successively to be party representative of the 10th Regiment, division chief of staff, and division commander. Joining hands with the Red Army unit and the local armed forces led by Comrade Peng Pai, he led his troops to persevere in the guerrilla war in the Dong Jiang area.

In June 1929, Comrade Xu Xiangqian was dispatched by the Central Military Commission to the Dabieshan area and was appointed successively to be deputy commander of the 31st Division, deputy commander of the First Army of the

Red Army, commander of the Fourth Army of the Red Army, and the commander-in-chief of the Fourth Front Army of the Red Army. In the struggle to establish the Hubei-Henan-Anhui Revolutionary Base Area and the Fourth Front Army of the Red Army, he displayed outstanding military commanding and organizational talent and became a military commander in charge of a front army. After coming to the Dabieshan area, he correctly analyzed the situation, uniting local cadres and the masses, and adopted the strategy of "staying clear of the enemy's main force and striking at the enemy's weak points" and "turning many minor victories into a major victory," and led the Red Army successfully smashing the enemy's three rounds of "encirclements" against the base area along the Hubei-Henan frontier. He thus creatively summed up a complete set of guiding principles for building the Red Army and directing military operations. These principles had far-reaching impact on the growth of the Red Army unit in the Hubei-Henan frontier area. Under the command of Comrade Xu Xiangqian, the Red Army in the Hubei-Henan-Anhui Soviet Area grew into two armies with 45,000 troops in 1932 and became a main force of the Red Army which was brave and skillful in battle. Being led by Comrade Xu Xiangqian, this Red Army unit had the fighting style of being tough, undaunted, fast-reacting, energetic, and flexible, and the troops were brave and indomitable, and feared no sacrifice. A large number of senior officers who were both brave and resourceful were brought up. The troops first could only fight small-scale guerrilla battles but were later able to storm fortifications and conducted large-scale mobile campaigns, including field battles, sudden attacks, and long-range raids. The troops could first only wipe out small and scattered groups of the enemy but were later able to besiege and annihilate whole regiments and divisions of the enemy. On 7 November 1931, the Fourth Front Army of the Red Army was founded. Chiang Kai-shek assembled 15 divisions to launch the third "encirclement" against the Hubei-Henan-Anhui Revolutionary Base Area. When facing the grim situation in which the enemy's massive forces were bearing down upon the base area, Comrade Xu Xiangqian and the headquarters of the Fourth Front Army decided to take preemptive action against the enemy by organizing positive attacks against the flanks of the enemy, thus thwarting the enemy's "encirclement" plan. In a period of six months, the Red Army successively launched four major campaigns in Huanggan, Shangcheng-Huangchan, Sujiabu, and Huangchuan-Guangshan, and annihilated more than 6,000 enemy troops. The brilliant military successes were recorded in the war annals of the Red Army and gave expression to Comrade Xu Xiangqian's amazing courage and outstanding military commanding skills.

In May 1932, Chiang Kai-shek personally commanded 300,000 elite troops, including four air force brigades, to launch "encirclement" on an unprecedented scale against the Hubei-Henan-Anhui Soviet Area. Zhang Guotao turned down the correct proposal of Comrade Xu Xiangqian and other comrades on making the troops rest and wait for an opportune moment to fight, and made an incorrect assessment of the situation. After fighting bitterly for two months and wiping out over 10,000 enemy troops, the Fourth Front



Army was still forced to make a strategic evacuation from its original position because of the failure to change the situation in which the enemy's strength remained superior to the Red Army's. In the course of moving westward, the Red Army engaged in fierce battles against the enemy troops who intercepted and pursued them and were caught several times in a dangerous position. Comrade Xu Xiangqian betrayed no fear in an hour of danger and continued to command the troops in a decisive manner, thus leading the Red Army to head off a disaster and turn danger into safety.

In late 1932, the Fourth Front Army of the Red Army arrived in northern Sichuan and built a new revolutionary base area in the Tongjiang-Nanjiang-Bazhong area. Before the Red Army gained a firm foothold, Sichuan warlord Tian Songrao assembled 60,000 troops and divided them into three columns to besiege and attack the Red Army in an attempt to drive the Red Army out of the Tongjiang-Nanjiang-Bazhong area. According to the topographic conditions of northern Sichuan, Comrade Xu Xiangqian adopted the strategic principles of tightening up the position, carrying out resistance in succession, waiting for an opportune moment to stage counterattacks, and concentrating force to break through one point of the enemy's battleline. He adopted the method of combining positional warfare with mobile warfare, enticed the haughty enemy to enter the battlefield set up by our troops, and then thwarted the enemy's arrogance and fatigued and weakened the enemy troops. Through the successive combats, the enemy troops were weakened and exhausted. Then the Red Army selected an opportune moment and concentrated the main force to launch a full-scale counterattack. The enemy troops were caught in a panic and were completely routed. After the enemy's three-forked offensive against the Sichuan-Shaanxi revolutionary base area failed, other local warlords in Sichuan did not dare to take reckless action against the Red Army and could only hole themselves up in their own lairs. Under these circumstances, Comrade Xu Xiangqian again seized the opportunity for fighting the enemy outside the Red Army's base area, and won major victories in the Yilong-Nanbu, Yingshan-Quxian, Xuanha-Daxian campaigns. This led to the rapid expansion of the base area and the rapid growth of the Red Army. The Fourth Front Army of the Red Army grew into a massive force with five armies and more than 80,000 troops. The base area was expanded to be 400 li in length and 500 li in breadth, and became the second largest base area next to the Central Soviet Area in Jiangxi. The Red Army's successive victories caused a great panic among the local warlords in Sichuan. Chiang Kai-shek urgently ordered Liu Xiang, his commander-in-chief for "suppressing bandits" in Sichuan to organize a large-scale siege of the revolutionary base area by assembling 140 regiments with a total of 250,000 troops from all local warlord forces, and the enemy forces pressed on to the base area from six directions. The Red Army continued to adopt the positive defensive strategy and lured the enemy in deep. After fighting fierce battles over 10 months, a decisive battle was eventually fought in Wanyuan. The enemy, whose strength was on the decline, was routed completely under the strong offensive of the Red Army. The campaign of

resisting the enemy's six-sided siege resulted in the annihilation of more than 80,000 enemy troops. This was a campaign that lasted the longest time, was fought on the largest scale, and achieved the greatest results on the battlefield in the war annals of the Fourth Front Army of the Red Army. It more obviously showed Comrade Xu Xiangqian's military talent and ability to direct military operations.

To meet the Central Red Army which was moving northward, the Fourth Front Army crossed the Jialing Jiang and moved westward, and successfully joined forces with the Central Red Army in Maogong. In the Long March, Comrade Xu Xiangqian actively supported the central leadership's principle of moving north to resist the Japanese invasion, and conscientiously safeguarded the party's overall interests. He united commanders and soldiers of the Fourth Front Army to wage a resolute struggle against Zhang Guotao's activities of splitting the party and the Red Army, and showed strong party spirit in this struggle. He made special contributions to safeguarding the unity of the party and the Red Army.

After the First Front Army, the Second Front Army, and the Fourth Front Army of the Red Army effected a junction in Huining, Comrade Xu Xiangqian led part of the Fourth Front Army to cross the Huang He and move westward according to the order of the Central Revolutionary Military Commission and prepared for the Ningxia campaign. Then he was appointed to be vice president and commander-in-chief of the West Route Army's Military and Political Committee by the Central Revolutionary Military Commission. He commanded the troops to fight the enemies in the Hexi Corridor, and annihilated more than 25,000 enemy troops in the fierce and bloody battles in five months. The military operations of the West Route Army effectively supported the strategic action of the Red Army on the east side. More than 20,000 officers and soldiers of the West Route Army shed blood in the fierce battles and fought until ammunition and supplies ran out. More than 10,000 of them heroically sacrificed their lives. Their meritorious deeds will never be forgotten.

Comrade Xu Xiangqian led the Fourth Front Army of the Red Army to brave untold dangers and repeatedly perform outstanding service. The officers and soldiers of the Fourth Front Army deeply respected and esteemed him and regarded him as a brilliant standard of the Fourth Front Army.

During the War of Resistance Against Japan, Comrade Xu Xiangqian was appointed to be deputy commander of the 129th Division of the Eight Route Army. He assisted Comrade Liu Bochong and Comrade Deng Xiaoping in leading the establishment of the Taihangshan Anti-Japanese Base Area and led the troops and the local people to smash the Japanese invaders' offensive along nine routes against south-east Shanxi. He personally directed the battle in Xiangtangpu and the operation dealt a heavy blow at the Japanese invaders. In 1938, he led part of the main force to march into southern Hebei, where he directed the guerrilla warfare in the plain according to the strategy of "creating human hills

on the plain," and consolidated and developed the anti-Japanese base area in southern Hebei. After that, he was appointed to be commander of the First Column of the Eighth Route Army and make positive contributions to the consolidation and development of the anti-Japanese base area in Shandong. In 1940, he returned to Yanan and was successively appointed to be deputy commander of the joint defensive force in Shaanxi, Gansu, Ningxia, Shanxi, and Shuiyuan and president of the Military and Political University for Resistance Against Japan. There, he made contributions to defending the Shaanxi-Gansu-Ningxia Border Area and training military and political cadres for resistance against Japan.

During the Liberation War, Comrade Xu Xiangqian went to the front despite his poor health. He was then first deputy commander of the Shanxi-Hebei-Shandong-Henan Military Region, deputy commander of the North China Military Region and concurrently commander and political commissar of the First Army Corps, commander and political commissar of the Taiyuan Front. With great willpower and courage, he continuously organized and directed four major campaigns in Yuncheng, Linfen, Jinzhong, and Taiyuan. He explored and summed up the experience of storming fortifications and created brilliant examples of using a smaller force to defeat a larger force. A corps which was mainly composed of local armed forces was tempered and upgraded into a main force which was able to storm fortifications and carry out field operations. His work was highly commended by the party central leadership and Comrade Mao Zedong.

After the liberation of the whole country, Comrade Xu Xiangqian was successively appointed or elected to be general chief of staff of the People's Liberation Army, vice chairman of the People's Revolutionary Military Commission, vice chairman of the National Defense Commission, vice chairman of the National People's Congress Standing Committee, vice premier of the State Council and concurrent minister of defense, and vice chairman of the Central Military Commission. In 1955, he was given the military rank of marshal. In the Eighth, 11th, and 12th CPC Central Committee, he was elected to be a member of the Political Bureau. He participated in the making of major policy decisions on the modernization of the people's armed forces. He put forth many important opinions on the national defense strategy, the construction of battlefields, the construction of national defense reserve forces, the construction of military academies and schools, the political and logistics work in the Army. In 1984, he also became president of the Huangpu Academy Alumni Association, and spared no effort to unite the Huangpu alumni at home and abroad and promote the motherland's reunification.

Comrade Xu Xiangqian's lifelong military career was full of eminent feats and meritorious service. His revolutionary experience was closely linked with our party's history of struggle, our Army, and our people. He was one of the founding fathers of the People's Liberation Army, and one of the great marshals and combat heroes

arising in the people's war. His great contributions to the Chinese people's liberation and construction will always be borne in the minds of the Chinese people.

While cherishing the memory of Comrade Xu Xiangqian, we should make efforts to emulate his noble morality and revolutionary spirit.

We should learn from his firm communist faith. Comrade Xu Xiangqian joined the Communist Party under a stern situation. In the long course of struggle, regardless of how dangerous the situation, how complicated the struggle, or how tortuous the course, he always firmly kept his ideal and was undaunted by repeated setbacks. In his late years, he was deeply concerned about the party's future and destiny. When facing the changing international situation, he said with pride: "The road leading to communism is rugged and rough, but I firmly believe that our party and our people will, as usual, break through brambles and thorns, advance with giant strides, and victoriously achieve our goal." The world's socialist cause is now encountering some serious setbacks, but the general trend to replace capitalism with socialism will be changed by no one. Real communists will never be daunted by any difficulties. They should gather their courage, firmly keep their confidence, overcome all difficulties, and strive to realize the great ideal of communism. Under the current domestic and international situation, emulating Comrade Xu Xiangqian's firm faith in communism is of great immediate significance.

We should emulate his fine style of being selfless and being open and aboveboard. Comrade Xu Xiangqian was famous for his courage to speak out from a sense of justice and for being upright and never stooping to flattery inside the party. In the Red Army period, he resolutely struggled against Zhang Guotao's mistakes many times. The victories in many major military campaigns were the results of his efforts to resist Zhang Guotao's disturbances. During the Long March, after the First and Third Army Corps of the Red Army moved northward alone, at the critical juncture when Zhang Guotao took action to split the party and the Red Army, he stepped forward bravely to safeguard the party's cause and safeguard the unity of the party and the Red Army. During the "Cultural Revolution," together with other proletarian revolutionaries, he waged a face-to-face struggle against the counterrevolutionary cliques headed by Lin Biao and Jiang Qing. The so-called "events of stirring up trouble in Jingxi Hotel and in Huairan Hall" were in fact the courageous actions taken by the proletarian revolutionaries to turn the tide and protect the party.

We should emulate his breadth of mind and his spirit of giving consideration first to the overall interests. Comrade Xu Xiangqian did not claim credit for himself and did not shift blame to other people. He always placed the interests of the party and the people above everything else. Under both favorable and unfavorable circumstances, he always fought vigorously. During the Long March, after the junction of the First and Fourth Front Armies, when seeing that the First Front Army had fewer soldiers and more cadres, he proposed that three regiments of the Fourth Front Army be

transferred to reinforce the First Front Army and some cadres be transferred from the First Front Army to support the work of the Fourth Front Army. After the Red Army crossed the grassland, he voluntarily undertook the task of storming and capturing Baozhuo to open a passage for the whole Army to move northward. All this was commended by the party central leadership and Comrade Mao Zedong.

We should emulate his noble character of keeping clean and incorrupt and being honest in performing his official duties. Comrade Xu Xiangqian was never conceited although he rendered outstanding service and held a high-ranking position. He always appeared among the masses as an ordinary worker and always behaved as a "public servant of the people." He regarded austerity and thrift as honor and regarded extravagancy and waste as a disgrace. He always led a plain and simple life and had clean hands. He hated the irregular and corrupt practice of building personal connections to exchange favors, securing advantages through pull or influence, seeking privileges, abusing power in pursuit of private gains, and taking bribes. He always maintained flesh-and-blood ties with the masses. The people in such old revolutionary base areas as Dabieshan, Dabashan, Tahangshan, and Yimengshan always thought of him, and he also always cherished the memory of the people in the old revolutionary base areas. He concerned himself with the work of building spiritual civilization in Liuyin Street in the capacity of an ordinary resident, and Liuyin Street, under his care, became a pacesetter in the activities of military-civilian cooperation in building spiritual civilization in Beijing Municipality. Before his death, Comrade Xu Xiangqian asked people not to hold a memorial ceremony or funeral ceremony for him, but thousands and thousands of people still spontaneously mourned the death of the respectable marshall in various forms and expressed their admiration and esteem for him. The people supported and loved him. He will always live in the minds of the people.

Before his death, Comrade Xu Xiangqian left a message to the whole party, praising the line, principles, and policies upheld and implemented by the party central leadership with Comrade Jiang Zemin as the core and saying that the measures adopted by the party central leadership were completely correct and in line with Marxism. He hoped that the whole party will maintain unity, work hard, and win new victories. Facts have further proved that the party central leadership with Comrade Jiang Zemin as the core has the wisdom and ability to deal with major domestic and international affairs, and is completely trustworthy. We should follow Comrade Xu Xiangqian's instruction, closely rally around the party central leadership with Comrade Jiang Zemin as the core, take economic construction as the central task, uphold the four cardinal principles, persistently carry out reform and opening up, firmly advance along the course of building socialism with Chinese characteristics, further improve our party style, and do a better job in our national construction. Then, we will certainly be able to withstand all storms and hold an invincible position, and our cause will certainly be successful! [For related reportage, see the item

headlined "Leaders Gather To Mark Xu's Birth Anniversary" and item subheaded "Officials Send Letters," published in the Military section of the 12 November China DAILY REPORT, beginning on page 39, lower portion of right-hand column, and the item headlined "Li Xiannian Article on Marshal Xu," published in the Military section of the 18 November China DAILY REPORT, beginning on page 32, lower portion of right-hand column.]

#### Advisory Commission Member's Remarks

HK0212124391 Beijing JIEFANGJUN BAO  
in Chinese 9 Nov 91 p 2

["Speech by Chen Xilian, Member of Central Advisory Commission Standing Committee, at Meeting Marking Marshal Xu Xiangqian's 90th Anniversary"]

[Text] On this solemn occasion to commemorate the 90th anniversary of Marshal Xu Xiangqian birth, we, veteran comrades of the Fourth Front Army of the Chinese Workers' and Peasants' Red Army [Red Army] who worked and fought under Marshal Xu Xiangqian's direct leadership during the second revolutionary civil war, feel very excited. We deeply cherish the memory of Marshal Xu Xiangqian, who cultivated and educated us during the years of revolutionary wars, and respect and admire his immortal dedication to the liberation of the Chinese people and the building of the people's army.

Marshal Xu Xiangqian's life is a glorious one, and the party Central Committee has set a high value on his contributions to the Chinese revolution. His spirit of dedicating himself to revolution is always an example for us to emulate, and the rich experience he accumulated in the practice of revolutionary wars is a valuable wealth of our army.

During the second revolutionary civil war, Marshal Xu Xiangqian was a banner of the Red Army's Fourth Front Army. Under the command of Marshal Xu, the Fourth Front Army opened up a new chapter in the history of the Chinese People's Liberation Army by establishing two major revolutionary bases, Hubei-Henan-Anhui and Sichan-Shaanxi, and winning the great victory of annihilating nearly 400,000 Guomindang [Kuomintang] troops.

As early as June 1929, the CPC Central Military Commission appointed Xu to hold a leading post in the Red Army 31st Division in northeastern Hubei. Under the party's leadership in the Hubei-Henan-Anhui Border Region and with the concerted efforts of other leading comrades, Marshal Xu Xiangqian gave full play to his outstanding ability in organizing and commanding troops. After two and half years of hard struggles, he built a peasant armed organization of only 300 people into a strong Fourth Front Army which could wipe out the enemy in divisions and regiments. The reason this Red Army branch in the Hubei-Henan-Anhui Border Region could become one of the Red Army's three main forces in such a short time was that Marshal Xu attached great importance to the party's absolute leadership over the army as well as to the army's political building. In November 1929, together with party representative Dai



Kemin, he drafted the "Resolution on Military Issues" for the Hubei-Henan-Anhui Border Region, in which he promulgated explicit stipulations on military command; the organization, tasks, and education of the Red Army; the Red Army's relations with all sides; and the Red Army's tactics in guerrilla warfare. The resolution emphasized both the party's absolute leadership over the army, and the "soldiers' cultivation and understanding of class awareness in the agrarian revolution." To meet the demands set in the resolution, Marshal Xu earnestly practiced what he advocated, and set an example among officers and men in conscientiously safeguarding the party's absolute leadership over the army. He respected political organs and cadres in the army, and treasured his subordinates and ordinary soldiers. Spurred by the example of Marshal Xu, officers and men established a firm concept of the party's leadership and cultivated a high degree of political awareness. Whenever they received a decision from the party, they would immediately put it into effect without any preconditions. To succeed in class liberation, they were always willing to go through all kinds of hardships and struggles.

Marshal Xu was good at applying Marxist war concepts and methodology to battle. He always set his eyes on the special features and development of war, and creatively forwarded a series of strategical and tactical principles for guerrilla and mobile warfare in light of the situation at the time. During the initial stage of the Red Army's establishment in the Hubei-Henan-Anhui Border Region, there were only several hundred soldiers. Marshal Xu adopted guerrilla warfare as the major combat form, and forwarded many operational principles, including "massed operations, scattered guerrilla wars," that "the masses should be mobilized to fight side by side with the Red Army," that "when the enemy advances, we retreat; when the enemy retreats, we pursue and attack," and that "toward the enemy, we adopt the method of moving around in circles." With all these operational principles, Marshal Xu led his troops to fight the enemy in an ingenious way, aiming to weaken the enemy and preserve the Red Army's forces. After the Red Army became increasingly stronger, Marshal Xu began to adopt mobile warfare as the major operational form, and commanded his troops to lure the enemy in deep and destroy them in a "mobile" manner. As a result, the Red Army won a major victory when it made a long-range raid on the enemy's 34th Division, captured the division's commander, Yue Weijun, and annihilated over 6,000 enemy troops. In November 1931 when the enemy was about to carry out its third "encirclement and suppression" against the Hubei-Henan-Anhui Revolutionary Base, in light of the situation wherein the more than 100,000 enemy troops deployed outside the bases were not ready, Marshal Xu changed his usual anticirclement practice of luring the enemy in deep and carrying out battles inside the base. Instead, he made a quick and resolute decision to forestall the enemy by attacking the enemy outside the base, and besieging the enemy's fortified points to annihilate its relief force. Within half a year, he commanded military troops and civilians to fight as one, and won consecutive victories in four major campaigns in

Huangan, Shangcheng-Huangchuan, Sujiafu, and Huangchuan-Guangshan. During these four major campaigns, they wiped out 40 of the enemy's regular regiments, totalling some 60,000 people, thus marking glorious military exploits in the Red Army's history.

At all critical moments during wars, Marshal Xu always had the ability to see through appearances to get at the essence, and displayed unusual courage and resourcefulness. During the Sujiafu Campaign in 1932, after one month of besieging the enemy's fortified points to annihilate its relief force, the Red Army's Fourth Front Army successfully pinned down more than 7,000 enemy troops in the fortified points of Sujiafu and Hanbaidu. By then, Chiang Kai-shek appointed Li Shiding general commander and ordered Li to lead 15 regiments to rescue the besieged troops. At that time, the Red Army's relief force was less than eight regiments, which meant the Red Army had to fight against heavy odds and fight to win or die. Seeing such a situation, Zhang Guotao suggested that the siege on Sujiafu and Hanbaidu be raised, and the entire operational plan abandoned. However, Marshal Xu believed that although it outdid the Red Army in numbers, the enemy suffered from a complicated organizational system and many internal contradictions; except the Seventh Division, the Red Army had given blows at all the reinforcing troops and, therefore, the enemy troops were demoralized. Moreover, the enemy troops were surely in a state of utter exhaustion, because they traveled a long distance. On the other hand, after winning several consecutive victories, the Red Army enjoyed high morale. In addition, the Red Army had built up strong defense works and could wait at its ease for an exhausted enemy. With the initiative in hand, the Red Army should not withdraw but keep on fighting. So long as it could take the edge off the spirit of the enemy's vanguard, the Red Army could defeat its opponent by a surprise move and win the victory of the entire campaign. He managed to persuade Zhang Guotao into continuously wiping out the enemy's relief force. In the end, although it had a military strength of less than 20,000 people, the Red Army won a great victory by capturing the enemy's General Commander Li Shiding, five divisional and 12 regimental commanders; and annihilated over 30,000 enemy troops.

During the second revolutionary civil war, as the general commander of the Red Army's Fourth Front Army, Marshal Xu Xiangqian continuously concerned himself with the overall interests of revolution, attached great importance to and safeguarded unity among the Red Army, and always displayed a selfless and lofty character at critical moments. During the days when getting prepared for the arrival of the party Central Committee and the Red Army's First Front Army, which were heading north, Marshal Xu mobilized his troops to collect grain, donate cloths, and transfer some cooking utensils to support and salute the First Front Army. In addition, he also ordered Li Xiannian to lead five regiments to go west, cross the Min Jiang, and advance at high speed toward both Large and Small Jinchuan, with the aim of occupying Fangong and Dawei before Deng Xihou

arrived. As a result, the Red Army's Fourth Front Army succeeded in sabotaging Chiang Kai-shek's plan to intercept the Red Army. The Fourth Front Army could greet the party Central Committee and the Red Army's Fourth Front Army in Jianjin Shan. After the two armies joined forces, seeing that the First Front Army had lost quite a number of soldiers as a result of fighting in different parts of China, he made a voluntary suggestion—which was later approved by the party Central Committee—to transfer to the First Front Army's First and Third Army Groups 3,800 people in three organic regiments and one divisional affiliated team, to reinforce the First Front Army's combat readiness. After Zhang Guotao presumptuously ordered the right flank troops to advance south, the party Central Committee, to carry out its established strategic principles, decided to take independent action and lead the First and Third Army Groups north. At that time, some people did not understand the real situation and asked Marshal Xu whether or not they should intercept the troops heading north. Xu answered with curt finality: "How can the Red Army attack itself?" At this critical moment, he resolutely safeguarded the unity between the party and the Red Army, and made special contributions to revolution.

Marshal Xu Xiangqian has already parted from us a year ago, yet his lofty revolutionary spirit and fine qualities will continue to encourage us to forge ahead, and his outstanding deeds will forever be remembered by history. Our purpose in commemorating him today is to emulate forever his glorious example; continue the work left by him; closely rally around the CPC Central Committee and Central Military Commission with Comrade Jiang Zemin as the core; earnestly implement the party's line, principles, and policies promulgated since the Third Plenary Session of the 11th CPC Central Committee; and strive to build a modernized and standardized revolutionary army, as well as a powerful and modern socialist country with Chinese characteristics!

#### Chi Haotian Address

HK0212121791 Beijing JIEFANGJUN BAO  
in Chinese 9 Nov 91 p 2

["Speech by Chief of General Staff Chi Haotian at Meeting to Mark 90th Birth Anniversary of Marshal Xu Xiangqian held in Beijing on 8 November"]

[Text] Today, we are holding a grand meeting here to commemorate the 90th birth anniversary of Marshal Xu Xiangqian, a proletarian revolutionary of the older generation who enjoyed high prestige and commanded universal respect and was the first chief of general staff after the founding of the PRC who was esteemed and loved by all officers and soldiers of our Army.

Marshal Xu Xiangqian was a Marxist with a firm conviction of communism. When he was young, influenced by the May Fourth Movement, he took an active part in progressive student activities. In 1924, he gave up his academic career and began his military career by joining the first class of the Huangpu Military Academy. In

March 1927, when China was shrouded by the white terror and on the eve of the counterrevolutionary coup on 12 April, he resolutely selected the great cause of communism and joined the CPC, beginning to dedicate himself to the great struggle for the emancipation of the proletariat. In more than 60 years after that, he always ardently sought and upheld truth throughout his life. On the Long March, he united the commanders and soldiers of the Fourth Front Army of the Red Army to wage a resolute struggle against Zhang Guotao's splittist activities, and made special contributions to safeguarding the unity of the party and the Red Army. During the Cultural Revolution, he adhered to the party's principles and waged resolute struggle against the sinister scheme of Lin Biao and the "Gang of Four" for destroying the party and the Army. He joined hands with several other marshals in struggling tit for tat against Jiang Qing and Chen Boda and strove to maintain the stability of the people's Army and to protect the old comrades, displaying the revolutionary courage and moral integrity of a communist. On his deathbed, he still kept thinking about the party's cause, and told his children to always follow the party and be worthy children of the party and the people, showing the consistent faithful feelings of a great communist fighter toward the communist cause.

Marshal Xu Xiangqian was an undaunted, brave, and resourceful military strategist of insight and originality who rendered great meritorious service in wars, and an outstanding military commander whose prowess simply drove the enemies into a panic. Marshal Xu's military career began from his days as a cadet in the Huangpu Military Academy. He was once selected to be a member of Sun Yat-sen's bodyguard squad, and joined the northern expedition. After the failure of the Great Revolution in 1927, he participated in the Guangzhou Uprising, and then led his troops to the Haifeng-Lufeng area and joined hands with Peng Pai and other comrades in leading the peasants' armed struggle and establishing the worker-peasant democratic government. In the period of the Agrarian Revolutionary War, he was sent by the party to organize armed struggle in the Hubei-Henan-Anhui frontier area. There, he led the Red Army to thwart three "encirclements" of the Kuomintang troops. In 1931, being commander of the Fourth Army of the Red Army and commander-in-chief of the Fourth Front Army of the Red Army, he led the troops to fight southward and conquer Yingshan, Luotian, and another two towns in series. Then, he organized four major campaigns in Huan-gan, Sujaibu, and other places, annihilating more than 60,000 troops of 40 regiments of the enemy's regular forces. His military prowess drove the enemy into a panic. In particular, in the Sujaibu campaign, Marshal Xu displayed his amazing military insight and courage by defeating the much more massive enemy force through fighting tough battles, and thus created a brilliant example of concentrating force to annihilate the enemy relief force while besieging an enemy stronghold. In October 1932, the main force of the Fourth Front Army was forced to make a strategic movement away from its original base area. Marshal Xu led the troops to traverse a course of more than 3,000 li by overcoming untold difficulties and hardships and

set up a new revolutionary base area in the frontier area between Sichuan and Shaanxi. This again displayed his outstanding ability to organize and direct military actions. During the Long March, he commanded the Right Route Army to move northward and directed the campaign in Baozhuo, where the Red Army completely annihilated the enemy's 49th Division commanded by Hu Zongnan. The Baozhuo campaign thus paved the way for the Red Army to march into southern Gansu. After the Red Army main forces effected a junction in Huining, according to the instruction of the Central Military Commission, he led his troops to march westward and fight bloody battles for five months. The coordinated action effectively supported the strategic movement of the Red Army on the east bank of the Huang He. In the early stage of the War of Resistance Against Japan, Marshal Xu joined Comrades Liu Bochong and Deng Xiaoping in directing the battles in Guangyang, Shentouling, and Xiangtangpu as well as the military operation against the enemy's "nine-route besiegement." Our troops eventually succeeded in establishing the anti-Japanese base areas in the Hebei-Shanxi-Chahar frontier area and in southern Hebei, and persistently carried on the anti-Japanese guerrilla war in the enemy's rear areas. During the Liberation War, Marshal Xu successively directed the military campaigns in Yuncheng, Linfen, Jinzhong, and Taiyuan. In particular, he once again displayed his outstanding military prowess in the Jinzhong campaign by using a smaller force to defeat a more massive enemy force. His military feats were highly commended by the party central leadership and Chairman Mao. His outstanding military exploits made immortal contributions to the victory of the revolutionary war, and also made major contributions to enriching the treasure house of Mao Zedong's military thinking.

Marshal Xu Xiangqian made a painstaking effort, exerted himself to the utmost for our national defense construction, and made indelible contributions to the modernization of the armed forces. In the early period of New China, Marshal Xu was the first chief of general staff of our Army. In those days, the Army was shouldering arduous tasks. It not only carried out military operations, but also performed military control and suppressed local bandits. The troops also needed to support civilian work.

Then, the War to Resist U.S. Aggression and Aid Korea began, and the army urgently needed large quantities of weapons and equipment. At the same time, the establishment and equipment of our Army as well as our national defense industry needed to grow rapidly. Our country was facing the arduous task of healing the wounds of war and conducting full-scale reconstruction. In May 1951, Marshal Xu, who had not completely recovered from a serious illness, was entrusted by the party central leadership and Chairman Mao with the task of leading our country's first war industry delegation to visit the Soviet Union. In the Soviet Union, he held continuous talks with the Soviet side and satisfactorily fulfilled his task, laying the initial foundation for our country's war industry and also making contributions to

the friendship between the two peoples and between the two Armies of China and the Soviet Union.

Marshal Xu began to take charge of militia work in 1963. After the downfall of the "Gang of Four," he was again appointed chairman of the People's Armament Committee of the Central Military Commission. He listened to reports by the leaders of the General Staff Headquarters and the Mobilization Department in charge of the militia force, and issued many important instructions on militia construction. In the early 1960's, some unrealistic practice existed in the militia work of some localities. Marshal Xu personally went to Zhejiang and Guangdong to investigate and study, and explicitly pointed out the need to "base militia work on squads, platoons, and companies" and "focus militia work on the grass-roots level." This important opinion was affirmed by the Central Military Commission. After the downfall of the "Gang of Four," Marshal Xu attached great importance to the rectification, restoration, adjustment, and reform of militia organizations. According to his instruction, the General Staff Headquarters and the General Political Department jointly issued the "Circular on Investigating and Studying the Issue of Readjusting and Reforming Militia Organizations" and submitted the "Report on the Readjustment of Militia Organizations" to the party central leadership, which approved and transferred the report. After that, Marshal Xu pointed out that militia work in the new period should follow the guideline of "reducing quantity, enhancing quality, guaranteeing key points, and laying a solid foundation." His instruction laid a foundation for the adjustment and development of militia work in the new period.

After the downfall of the "Gang of Four," our Army urgently needed to be restructured and begin the process of modernization and regularization. Marshal Xu and several other marshals jointly shouldered the heavy task of restructuring and building the Army. At that time, Marshal Xu was already at an advanced age, but he still cherished a strong and sacred sense of responsibility and lofty aspirations. He disregarded his poor health and exerted himself to the utmost for the great cause of national defense modernization.

The Third Plenary Session of the 11th CPC Central Committee made the important decision to shift the focus of the party's work to economic construction. Marshal Xu, viewing the world's military situation with the insight of a military strategist, pointed out that "local wars are still possible, but there is little possibility of fighting a nuclear war or another world war." In 1982, when listening to reports by the leading comrades of the General Staff Headquarters, he again pointed out: "The present international situation is favorable to us, and in my view, there will be no war aimed at attacking China in the near future." His scientific analysis of the contemporary international situation correctly guided the work of the Army.

Marshal Xu set great store by the scientific structure of the military establishment. In January 1980, he invited leading



comrades of the General Staff Headquarters in charge of structuring the military establishment and operational affairs to his house to discuss the issue of the military establishment. In March, at an enlarged meeting of the Standing Committee of the Central Military Commission chaired by Marshal Xu, the issue of streamlining the armed forces, an issue of special significance in the course of defense modernization, was seriously studied.

In the new historical period, especially when Marshal Xu was defense minister and vice chairman of the Central Military Commission, he continued to show the insight of a military strategist and carefully consider various issues concerning the construction of our Army despite of his advanced age. He put forth a series of important opinions on the work of General Staff Headquarters in the fields of military training, organizational structure, technological development of weaponry and equipment, and the construction of various branches of the armed forces. He made outstanding contributions to our Army's construction in the new period from strategy to tactics, from theory to practice, from military work to political and logistics work, and from organizational structure and equipment to personnel training.

When commemorating the 90th birth anniversary of Marshal Xu Xiangqian, we should carry forward the revolutionary tradition formed by Marshal Xu and other proletarian revolutionaries of the older generation, closely rally around the party Central Committee and the Central Military Commission with Comrade Jiang Zemin as the core, maintain the party's absolute leadership over the Army, adhere to the socialist road, and resolutely obey the party's orders. Regardless of the changes that occur in the international situation, we must firmly keep the conviction of communism and firmly maintain our determination to advance along the course of building socialism with Chinese characteristics. We must uphold the four cardinal principles, persist in carrying out reform and opening up, oppose bourgeois liberalization, build up a great wall of steel against aggression and subversion with our concrete actions, and make new contributions to defending and building the socialist motherland!

### Economic & Agricultural

**Economist Suggests Reducing Wages, Adding Shares**  
OW2911042891 Beijing XINHUA in English  
0336 GMT 29 Nov 91

[Text] Beijing, November 29 (XINHUA)—Chinese Economist Zhong Pengrong suggests in a Beijing-based newspaper that a new channel of circulating enterprises' income back into investments in production be encouraged in the country.

A signed article carried in the FINANCIAL NEWS said that the new channel is through individual stocks. He argues that it is superior to the old channels.

According to Zhong, enterprises' proportion of income that goes into wages should be reduced and enterprises invest more funds in production. That increment of assets will be owned by employees in form of stocks.

Enterprises also float public stocks or bonds to collect funds.

Before reforms of the early 1980s, enterprises' income went directly into central finance, which then allocated funds for production.

Currently, indirect channels put enterprises' income into individual incomes, which are presumably put into bank savings and then loaned to enterprises for production.

Partly because of the emergence of the bonus system, people have surplus money after covering their basic expenses. And the more they earn, the more they save. Bank savings now exceed 800 billion yuan, (149 billion U.S. dollars), up from 20 billion yuan in 1978, according to the People's Bank of China.

Bank loans to industry ballooned at the same time. Total bank loans have reached 1.7 trillion yuan, (316.6 billion U.S. dollars), up from 180 billion yuan in 1979.

Enterprises rely more and more on banks, the economist said.

Statistics show that 80 percent of investments in industrial enterprises and 95 percent of funds in commercial firms are borrowed from banks.

He said that the increased assets created by the retained profits can well be distributed to employees in the form of stocks.

Then, for employees, the difference between the retained profits coming in the form of bonuses and accumulating in form of stocks is like the difference between getting eggs and getting hens.

"Hens"—stocks means more "eggs" for employees in future. If some are too eager to wait for the future "eggs" they can sell the stocks for cash.

More importantly, as shareholders, employees will care much more about the economic well-being of their company than before.

If enterprises borrow from banks, the loans and interest can be defaulted. As a result, the enterprises are not much concerned about how efficiently they use the investment, and the supply of bank loans always falls short of demand.

In addition, Zhong said, enterprises do not need to pay interest rates. Their investment capital is already in the paychecks of their workers. And a shareholder can sell his stocks, but the total amount of money in the market will not increase. So prices won't fluctuate with the sales of stocks.

**Daily on Plans for Merit Raises in State Firms**

HK3011052991 Beijing CHINA DAILY in English  
30 Nov 91 p 1

[Report: "State Firms To Abolish Uniform Pay Hikes"]

[Text] Chinese workers in State-owned enterprises will no longer get across-the-board raises, and may not get any raises at all, as part of a new government wage policy based on profitability and individual merit.

Under the new policy, to be implemented over the next five years, workers will get pay increases according to their job duties, technical ability and performance, the Beijing-based CHINA BUSINESS TIMES reports.

The new wage system will also take into account working conditions, intensity of the workload and level of responsibility, said Shan Chunchang, head of the Wage Department of the Ministry of Labour.

Employees in State-owned enterprises won't automatically get the nationwide pay hikes that until now have been doled out irregularly.

The only automatic part of the new wage system is that those who work for enterprises that aren't turning a profit won't receive a raise at all.

The uniform pay system is being abolished because it is "equalitarian and hinders the workers' enthusiasm," Shan said.

The reforms will not apply to the military oriented industrial sector.

According to government statistics, more than 95,000 of about 400,000 State-owned enterprises already have begun to pay workers under the new salary system.

The change is one of a number of basic reforms of State enterprises now underway. They include introduction of a shareholding system for some enterprises and collectives, merging and closing enterprises, seeking foreign investment, and training and testing of managers.

Those reforms will probably take precedence over wage reform, since the latter depends on a more streamlined, efficient system of State-owned businesses.

In the past, the government simply ordered nationwide wage increases from time to time, but the timing and percentage were determined by the health of the nation's budget. The raises weren't linked in any way to the business's profitability or efficiency or to how well individual workers performed.

The State now will control only the total amount set for wage increases. That pool of money will be divided among the businesses proportionally based on their profits.

The reform moves the State-owned enterprises one step further along the path of controlling of how their profits are spent. About a third of State-owned enterprises are losing money.

These firms have a total of about 39 million employees, 53 percent of the total workforce in the State-owned enterprises.

**Contract Responsibility System Revitalizes Firm**

OW2811091891 Beijing XINHUA in English  
0850 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—The contract responsibility system has revitalized the Capital Iron and Steel Company, the latest issue of "New China Quarterly" reported.

The company's annual profits grow at a speed of 19.1 percent on average and reached 2.126 billion yuan in 1990, 7.1 times the figure in 1978, the year before the contract responsibility system began to be carried out.

The company, one of China's leading iron and steel enterprises, is located in the western suburbs of Beijing. It was founded in 1919 and only produced 286,000 tons of pig iron in the 30 years under the old regime. Since the founding of New China in 1949, it has developed rapidly. By the year 1979, it had become an integrated complex covering the whole process from mining iron ore to rolled steel production. Its output of rolled steel reached 1.169 million tons in 1978.

But just like any other enterprise in China, the company used to be managed according to the instructions of the higher authorities, while the managers of the company did not have self-determination rights.

In the spring of 1979, the central government approved the company as one of the first enterprises in the country to initiate reform. It immediately started its exploration of the contract responsibility system.

Under the contract responsibility system, the company's profits are turned over to the state according to a quota which increases year by year, the company is not allowed to use excess earnings at will, with 60 percent being used for expanding production, the total wages will grow or go down by 0.8 percent when the company's profits increase or decrease by one percent, the company has the right to sell 15 percent of its rolled steel quota, the company is carrying out the contract responsibility system on a full-attendance basis by making a contract with each division in the company and assigning a specific duty to each worker.

After adopting the contract responsibility system, the workers of the company began to give full play to their initiative so that the productive forces have been able to develop at a high speed.

During the 10 years from 1979 to 1988, the company's profits increased by 20 percent annually on average. Over

the past two years, the company has shown its ability to deal with emergencies and managed to increase its profits by 17.2 percent in 1989 and by 12.37 percent in 1990, though adversely affected by the general economic conditions such as price hikes for raw materials, sluggish markets and deferred repayment of debts by clients.

#### **Pre-Reform Appraisal To Protect State Assets**

HK2811063591 Beijing CHINA DAILY in English  
28 Nov 91 p 1

[By staff reporter Li Hong: "Pre-Reform Asset Tally To Protect State Take"]

[Text] Before some of China's failing State-run businesses are revamped by reforms, the government will launch a major appraisal of them to protect its own assets, a leading government official said yesterday.

Tang Bingwu, director of the State Administration of State-Owned Property, said the appraisal—the first since 1949—will pave the way for a long-awaited overhaul of the centralized management of State-run businesses.

Tang told CHINA DAILY that the government would appoint its agents to ensure that State assets are protected while the enterprises switch over to a share-holding system or institute other management changes.

Economists believe the share-holding system might be an effective remedy for China's ailing State firms.

If the share-holding system is adopted, the State-owned fixed assets, which include production equipment, real estate, reserve funds, depreciation funds, working capital and other investments, will be converted into shares with dividends allocated accordingly, Tang said.

Earlier this year, the State Council issued a circular, forbidding random transfer of State-owned capital and funds to common reserve funds for all shareholders, as well as banning "infringement on State property in any form in implementing the share-holding system"

A national meeting this year was told that as many as 39 percent of State-owned firms had run into deficit. As a result, the government decided this month to close some of the deficit-ridden firms, and encourage them to merge with their more successful competitors. All together, over 2,000 poorly-run firms have been shut down, official sources said.

Property assessment is needed when State-run firms are closed, sold, merged or leased; when they absorb overseas funds; when they co-operate with foreign firms; or when they have share-holders, Tang said.

To date, China has 157 authorized government property evaluation organizations, which, since 1988, have assessed and reviewed over 2,300 State projects worth 25 billion yuan (\$4.7 billion). One-fourth of the assessments were done during the formation of Sino-foreign joint and co-operative ventures.

The planned appraisal will also help introduce the "enterprise share-holding system" in China, which is currently being tested in Shenzhen, the first Special Economic Zone, and Shanghai, China's largest industrial hub, economists said.

The State's property interest in State-run enterprises is estimated at 1,730 billion yuan (\$322 billion).

#### **Government Emphasizes Price Restructuring**

HK3011055691 Beijing CHINA DAILY in English  
30 Nov 91 p 3

[By staff reporter Xie Liangjun: "Increased Reforms Let Market Fix More Prices"]

[Text] Chinese Government has taken steps to continue its price reform programmes this year, with greater emphasis on determining prices by market demand and letting more local governments regulate their own prices.

The State has placed great importance on price restructuring this year; it has become much more effective in its general price management, and as a result has helped achieve a "basically stable market."

In fact, this year price reforms have taken "new leaps forward," Zou Xiangqun, deputy director of the State Administration of Commodity Prices said on Thursday in Beijing.

In the first quarter of this year, the State increased prices of crude oil, iron and steel, and charges for railway freight. In the second quarter, it forced up prices of grain and edible oils sold to urban residents.

In the third quarter, the State allowed some provinces, autonomous regions and municipalities to adjust prices of some local products and services.

Zou said these efforts have greatly helped readjust China's industrial structure by reducing government subsidy burdens and invigorating goods circulation.

In addition, the Chinese Government has been reducing its direct interference into price management, Zou said.

"Market regulation is playing an increasingly important part in deciding prices," he said.

Official statistics show that of all prices of agricultural products, 52 percent are determined by market demand, and 25 percent are decreed by the State.

The central government's return of decisive price control to local hands comes after such control was taken away from provincial-level governments during the fourth quarter of last year, Zou said.

The categories whose price adjustment plans can be drafted by provincial governments but must be approved by the central government have since dwindled from 13 to five.



Provincial governments can decide local prices of soap, coal and coal gas for civilian use; tap water; tuition for middle and primary school students; and public transportation fares.

Zou noted that the government has allowed the market to determine prices for sugar, which used to be under strict State control.

Furthermore, the Chinese Government this year eliminated the two-tier pricing system for production materials such as cement and rubber.

With the recent price fluctuations, Chinese consumption has remained stable, despite some price increases. The total retail sales index rose 2.7 percent in January-October period of this year, possibly one of the lowest increases over the past 12 years.

According to Gao Shangquan, vice-minister of the State Commission for Restructuring the Economy, China will increase the pace of these reforms next year by readjusting prices and lifting ceilings.

The 12-year-old price reforms will be carried out under the principle of stimulating the economy and stabilizing the market, he said, adding that reforms will focus on improving price structural relations and establishing a price equalizing mechanism.

#### Spokesman on Price Inspection

OW2911183491 Beijing XINHUA Domestic Service  
in Chinese 0744 GMT 29 Nov 91

[By reporter Fu Gang and trainee Liu Hongcan (0491 4767 3503)]

[Text] Beijing, 29 November (XINHUA)—At a recent briefing, the spokesman of the State Administration of Commodity Prices, Sha Xunjiao, stated that since their formation in 1983, China's commodity price supervision and inspection organizations have dealt with more than 4.9 million cases of price violations and imposed economic sanctions amounting to 6.2 billion yuan, of which 5.6 billion yuan were turned over to the state and 600 million yuan refunded to consumers.

Sha Xunjiao also said that the State Administration of Commodity Prices recently issued a circular on the assignments for the general inspection of commodity prices this year. The four main points in the circular are: First, to continue to check the charges for education, public health, public security, and transport management as well as the fees levied by departments in charge of business, land, urban development, and labor administration, which the public complained about quite often. Second, to inspect the prices for procuring, supplying, allocating, and marketing cotton as well as implementing state standards on quality. Third, to unfold inspection of the prices of agricultural capital goods with emphasis on diesel used in farming. Fourth, to maintain a firm hold on the inspection of prices for daily necessities and disaster relief materials.

#### Article Reviews Book on Finance Problems

HK2911034291 Beijing JINGJI RIBAO in Chinese  
27 Oct 91 p 1

[Article by Liu Guoguang (0491 0948 0342): "In-Depth Reform Relies on Theoretical Breakthroughs—Review of Book 'Analysis of Financial Enigma'"]

[Text] Since the economic structural reform, and particularly in recent years, large numbers of new phenomena have emerged in China's finances, such as: Drastic expansion of the "external cycle" of currency and capital; increased savings deposits of 100 billion annually; coexistence of capital shortages and financial resources lying idle; increased abnormal debts between enterprises; decreased cash circulation; rapid growth in nonbanking financial organizations; and the rise of capital markets. How have these phenomena come into being? What is their impact on China's financial and economic life as a whole? What will be the development trend? These are special questions of concern to the broad ranks of people engaged in economic work and those engaged in financial work in particular. The book "Analysis of Financial Enigma," jointly written by a middle-aged scholar, Zhong Pengrong, and a young scholar, Cheng Boming, gives a detailed account of the aforementioned phenomena, making a systematic analysis and offering many unique views.

For example, while discussing the "external cycle" of currency, the authors insist that savings deposits constituted the source of capital for the special banks while cash was the source of capital for the central bank. When people turn their savings deposits into cash, it is an act which converts the source of capital of the special banks into the source of capital of the central bank. This does not decrease the source of capital in the banking system as a whole. To gain a clear idea of this problem, the authors said, it is necessary to note the following distinctions: First, the distinction between consumption and savings in total income; and second, the distinction between savings deposits and cash in hand. When people turn their savings into cash, it is merely a change in the form of savings rather than a change from savings to consumption. Only when the savings deposits are drawn to purchase goods can it be regarded as a change from savings to consumption. We cannot equate cash in hand with purchases or a conversion from the currency's "internal cycle" to "external cycle" to a change from savings to consumption. Therefore, viewed from the currency circulation angle, it is unnecessary to restrict the expansion of the currency's "external cycle." Conversely, when part of the savings is turned into cash, the banks can gratuitously use an increasing amount of savings which is conducive to reducing the cost of credit. When the channels of bank settlement are unclogged, a moderate increase in the currency's "external cycle" will be conducive to commodity circulation.

Take another example, regarding the "external cycle" of capital. The authors point out that the "external cycle"

of capital is an economic phenomenon which has connections with, but is also different from, the currency's "external cycle." The "external cycle" of currency refers to circulation of currency carried out directly outside the bank rather than through the bank's transfer accounts. The "external cycle" of capital refers to the collection and distribution of funds lying idle in society by direct means rather than through bank deposits and credit. In the countries which practice a market economy, the authors point out, the "internal cycle" and "external cycle" of capital constitute just a change in financial means. In China, however, the change from "internal cycle" to "external cycle" leads to a series of fundamental changes in the nature of enterprise funds, ownership structure, and budget restraint.

Regarding the problem of capital shortages, the authors point out that capital shortage is a phenomenon related to debts. While making an analysis of the debts, the authors distinguished the debts caused by currency shortage, namely, the debts caused by debt chains and capital shortages or linear debts. The currency shortages have resulted in capital shortages. The essence of the problem is the shortage of transaction mediums and partly because some social materials cannot enter the reproduction process, resulting in shortages of essential production factors in that process. The currency shortages resulting in capital shortages occurred during the few tightened periods in China. The capital shortages in other periods were due to excessive investment in oversupplied goods, the double track price system, unhealthy tendencies, poor management of enterprise funds, and financial deficits rather than the lack of social materials in the production process caused by currency shortages. All this has resulted in the essential materials earmarked for enterprise reproduction being diverted to building office buildings, guesthouses, and residential houses; commodities are exported to exchange cars; building private houses; and other kinds of inefficient investment.

As to the relationship between credit and the market, excessive credit usually results in excessive demand and commodity supply shortages. From 1989 to 1990 in China, however, excessive credit coexisted with a market slump. How can we explain this phenomenon? The authors put forward the concepts of tightened idleness and structural idleness. Tightened idleness refers to excessive tightening and the resources lying idle as social general supply exceeds demand. The more the resources lie idle, the more circulating funds will be used by enterprises, and the more loans will be granted by banks. How can we explain the problem of the coexistence between tightened idleness and excessive credit? The authors insist that the main thing is to increase investment in fixed assets and increase social general demand by increasing investment in fixed assets to maintain a balance between timely supply and demand ensured by the available resources. Structural idleness refers to resources lying idle as a result of imbalances in the industrial structure. Because of these structural imbalances, the ample supply of some products has resulted in

overstocking, the use of large amounts of bank loans, and excessive credit. To eliminate the structural weakness, the authors propose the following four ways out: First, increase exports; second, switch to the manufacture of other products; third, go bankrupt; and fourth, suspend production. To reduce losses, suspension of production is secondary to going bankrupt, going bankrupt is secondary to switching to the manufacture of other products, and switching to the manufacture of other products is secondary to increasing exports.

If strict demands are to be set, the book, as an academic work, can be further improved from the following aspects: First, the authors have made profound analyses of many new phenomena in China's current financial field. As they have failed to make further analysis by putting together the dispersed individual phenomenon, the whole book could not develop into a coherent whole. Second, as the only work analyzing the new phenomena in China's financial field, it would be of greater academic value and would further benefit readers if it had made a more comprehensive analysis of the new financial phenomena occurring in recent years. Third, although some analyses in the book involved the connection between finance and the economy, the whole book failed to focus much attention on the ties between finance and the economy and failed to make further analyses by putting the new financial phenomena on the larger background of the overall economy.

#### **Progress Noted in Social Security System Reform**

*OW2811143291 Beijing XINHUA in English  
1408 GMT 28 Nov 91*

[Text] Beijing, November 28 (XINHUA)—China has made progress in the reform of the social security system, and 52 million permanent employees of state-owned enterprises and 14 million contract workers across the nation are now covered by retirement insurance schemes.

This was announced by Gao Shangquan, vice-minister of the State Commission for Restructuring the Economy, at a press conference today.

Gao said that 2,227 cities and counties nationwide have instituted retirement pension schemes.

Since the beginning of this year, he said, an experiment in reform of the rural old-age insurance system has been carried out in 20 counties, old-age insurance for workers in enterprises and institutions involving foreign investment has been set up, and old-age insurance systems for workers in individual households and collective enterprises have been implemented in Henan Province, Gao added.

He said that by the end of last year the funds raised for old-age insurance in the country's state enterprises reached 9.6 billion yuan, and for unemployment insurance, 1.8 billion yuan.

Turning to the reform of the housing system, Gao said the State Council has issued a circular on reform of the urban housing system.

Guided by the central policy, he said, various places have explored housing reform based on local conditions. Apart from eliminating low rentals, they have raised funds for housing construction and paid more in lease guarantee funds.

#### Minister on Restraining Textile Production

HK2510092991 Beijing LIAOWANG in Chinese  
No 39, 30 Sep 91 pp 6-7

[By staff reporter Li Dibin (2621 6611 2430): "Reducing Inventories, Limiting Production: Textile Industry's Formidable Task; Interview with Minister of Textile Industry Wu Wenying"]

[Text] The textile industry has always been the biggest industry in New China, the major tax-profit contributor to the state, and the major foreign exchange earner. In recent years, contradictions between the production capacity of the textile industry and the supply of cotton, and between textile output and market capacity, has become more and more prominent. This has led to the serious stockpiling of textile products and a decline in the economic results of the textile industry. Under such a grim situation, the State Council adopted resolute measures for firmly reducing stockpiles of textile products by strictly limiting gross output, adjusting the structure of textile goods, and speeding up technological transformation. The textile industry calls this the "decisive battle" for the liberation of the textile industry. On the eve of the "decisive battle," LIAOWANG interviewed Minister of Textile Industry Wu Wenying.

[Reporter]: It is known that the State Council recently formulated some policy measures for dealing with problems in the textile industry. The two main measures are to reduce the quantity of textile goods stockpiled in warehouses and to restrict the gross output of textile goods. Can stockpiling and overproduction be regarded as the textile industry's main problems at present?

[Wu Wenying]: Yes. Stockpiling and overproduction are indeed the main problems that exist in the textile industry at present, and such problems have become very serious and must be solved.

At present, the value of stockpiled textile goods exceeds 20 billion yuan, accounting for one-fifth of the total value of stockpiled products in the entire country and more than six months domestic sales of textile goods. Such a huge quantity of stockpiled products not only ties up a large sum of funds and adds a heavy interest cost to enterprises, but also seriously affects the economic results of textile enterprises. At present, along with the decline in the economic results of the textile industry and an increase in the number of loss-making enterprises, the problem of "chain arrears" has also become prominent. A major reason for the formation of "debt chains" was

the continuous increase in stockpiles. According to a survey among 1,305 state-run textile enterprises in 35 large and medium-sized cities, funds tied up by stockpiles between January and July amounted to 10.886 billion yuan, or an increase of 31.86 percent over the same period last year. Some 489 enterprises, or 37.47 percent of the total, were running in the red, marking an increase of 94 over the same period last year. The amount of losses reached 694 million yuan, an increase of 47.35 percent over the same period last year.

However, production is still shooting up, and cotton yarn output between January and July continued to exceed the annual target by 13.5 percent. Overproduction has further increased stockpiles and a vicious cycle of overproduction and stockpiling has set in.

[Reporter]: In the past, it seemed that difficulties in the textile industry came mainly from supply shortages and a worsening quality of cotton. It seems that the problem of raw materials is no longer the main contradiction.

[Wu]: That is true. On the surface, overproduction and product stockpiling are the main problems in the textile industry at present. In essence, apart from problems with product quality and variety, the main cause of overproduction and stockpiling lies in the market. At present, while textile enterprises are running below capacity, production continues to exceed market demand. Because there has been a lack of effective overall control in recent years, the textile industry expanded blindly at a low technological level. At present, the problem is not merely the supply and quality of cotton, but the product quality, variety, and the market. Leading comrades in textile departments at all levels must be fully aware of this fact.

State Council leading comrades have paid close attention to problems in the textile industry, and have set forth explicit requirements for reducing stockpiles and restraining production. We must unify our understanding and resolutely carry out the policy decision on reducing stockpiles and restraining production. This is an important and urgent task in the economic operation of the textile industry.

The Ministry of Textile Industry has fixed a target for restraining production. Production of cotton yarn must be kept below 23 million pieces, and actual output must not exceed this ceiling. Under the premise of ensuring fulfillment of general targets for reducing stockpiles and restraining production, different enterprises can be guided to act in different ways, with the production of some enterprises being restrained and the production of other enterprises of good quality being kept on. Controlling the total output of cotton yarn is not only an interim measure for this year, but is also a principle for arranging the work next year.

As for the issue of reducing stockpiles, on the one hand this can promote the adjustment of the product structure and the development of new products; on the other hand, this can also quicken the turnover of working funds and raise economic efficiency in the use of working



funds. So this should also be understood and approached from a positive point of view. Cadres and workers should be helped to understand the importance and necessity of this work. While fulfilling the task of reducing stockpiles, we should also try to quicken the restructuring of the product structure and the development of new products and improve product marketing. Reducing stockpiles is not the ultimate goal. The ultimate goal is to effectively satisfy market demand and improve economic results.

**[Reporter]:** Restraining production may affect the output value of some localities. For many textile enterprises, this will be a painful option. In particular, people are worried whether textile production beyond the control of the ministry can be effectively controlled and restrained. What measures and methods does the Ministry of Textile Industry have for this problem?

**[Wu]:** A State Council leading comrade recently said: "There are 40 million spindles in the whole country. From now on, not even one single spindle can be added for whatever reason." We must follow the directive of the State Council leadership and bring our thinking into line with this major principle. In the Eighth Five-Year Plan period, in principle, we will not increase the production capacity of cotton yarn. Even projects that have been approved but have not been started should be resolutely stopped. The development of the cotton textile industry will mainly depend on the enhancement of its technological level and will be focused on structural adjustment. Under the current situation, we must protect state interests even if this sacrifices the interests of some enterprises. Leaders in textile departments at all levels must first give thought to the overall interests of the national economy and must act in unison throughout the country. None of the fine spinning machines can be sold outside the unified plan without authorization. Production and supply must be strictly conducted with official permission. This is work discipline. The production capacity of cotton, wool, and synthetic fiber spinning will be brought under the state's unified control, while the Ministry of Textile Industry is responsible for working out the unified production plan and exercising unified management in this trade. That is, no locality and no other department can freely expand their spinning capacity. Textile industry departments and bureaus in various provinces, autonomous regions, municipalities, and cities with independent budgets are responsible for controlling textile production capacity according to the unified arrangements of the Ministry of Textile Industry. This will guarantee unified management in the whole trade.

The Ministry of Textile Industry has assigned quotas for reducing stockpiles and restraining production to various provinces and municipalities. Various localities are required to assign explicit quotas to various enterprises, and a strict responsibility and inspection system should also be established. The Ministry of Textile Industry will issue a circular on fulfilling this task in various localities every month. Bank loans for localities and enterprises which cannot fulfill the task of restraining production

and reducing inventories will be suspended or reduced. In order to ensure the fulfillment of the task of reducing stockpiles and restraining production, all localities should adopt various measures in light of enterprise conditions, including closing down some enterprises, suspending the production of some enterprises, merging some enterprises into others, changing the production of some enterprises, lowering the running speed of machines, reducing shifts, arranging overhauls, and training workers in rotation. It is necessary to select suitable enterprises to conduct pilot schemes for reducing shifts and reforming the production system. Loss-making enterprises should be analyzed in order to discover the causes and work out countermeasures. Resolute measures should be taken against enterprises which have incurred losses for a long time for management reasons and which cannot be rectified.

In particular, it should be mentioned that fulfilling the task of reducing stockpiles and restraining production is not a merely a matter for the Ministry of Textile Industry. The ministry only manages two-thirds of the textile industry's output value and less than one-third of textile enterprises throughout the country. Therefore, in order to fulfill the task of reducing stockpiles and restraining production, the entire trade and society should make joint efforts, and government departments at all levels and relevant departmental leaders should attach great importance to this work, positively support this work, and take concerted action.

**[Reporter]:** Will the action to reduce stockpiles and restrain production cause stagnation in commodity circulation?

**[Wu]:** No. On the contrary, while action is being taken to reduce stockpiles and restrain production, we will pay more attention to circulation and will better facilitate circulation through the continuous expansion of the market. Ensuring the well-coordinated development of production and circulation so that they promote each other is a major way of rectifying the imbalance between gross supply and gross demand, overcoming structural disproportion, and changing market slackness. This is also an objective need in our efforts to free the textile industry from its predicament and ensure sustained, stable, and coordinated development. In this regard, we need to do a good job in the following aspects: First, it is necessary to speed up the adjustment of the product structure in the orientation of introducing market mechanisms. Second, we should intensify study of the market system and market organization for textiles, develop and diversify marketing forms and channels of circulation, and actually make the market for textile goods more prosperous and vigorous. Third, we should pay more attention to studying the international market and actively organize the export of products that can be sold at high prices, in large quantities and have development potential in the international market. Although the export prices of some products are not high, if they do not sell well in domestic markets and have been overproduced, the decision whether or not to export these products can be made according to the principle of not exporting products for

which losses will be incurred even after duty rebates have been received. Fourth, it is necessary to build up the sale force of all manufacturing enterprises to promote the self-marketing of their products. It is hoped that all localities will actually attach importance to these matters; overcome depressed and passive feelings; straighten out management style; and seek existence, development, and profits through market competition.

Finally, it is necessary to stress the issue of the textile industry's technological transformation which is closely related to reducing stockpiles and restraining production. According to 1989 statistics, only 9.6 percent of the country's textile equipment measured up to world advanced levels; 36.7 percent reached domestic advanced level; 23 percent stood at the ordinary level; and 36.7 percent remained at a backward level. [figures as published] More than 3 million spindles were left over from preliberation years. With such obsolete equipment, even if we have good management skills and personnel advantages, it will still be very difficult to reinvigorate aged enterprises. At present, it is an opportune moment to conduct technological transformation in the textile industry. The State Council has put forward a scheme for shifting funds retrieved from reducing stockpiles to increasing the size of loans for technological transformation. This is a major policy for technological transformation. We must try by every possible means to grasp this opportunity and make good use of the favorable conditions brought about by this policy.

In short, the purpose of reducing stockpiles and restraining production is not to restrict the development of the textile industry; instead, it is aimed at making a strategic shift in the textile industry and creating an opportunity for bringing a benign cycle to the textile industry. This will be a turning point for the textile industry. The broad masses of workers in the textile industry must be aware of this and should boost their morale to overcome difficulties and make greater contributions to the state.

#### State Bank Provides Foreign Exchange Loans

HK3011071591 Hong Kong ZHONGGUO TONGXUN  
SHE in English 0507 GMT 30 Nov 91

[Text] Beijing, November 30 (HKCNA)—According to the Bank of China, new foreign exchange loans amounting to U.S.\$2.7 billion were provided between January and August this year, with 90 percent of the total being used to support exports while the foreign exchange loans for current capital accounted for 72 percent of the newly-approved total amount. The orientation of the credit system is now becoming rational.

It is learned that under the circumstances in which foreign exchange credit is continuously in high demand, the Bank of China's branches, considering local needs for the restructuring of industries, have laid stress on supporting business and projects which are encouraged by the country in the Eighth Five-Year Plan. As to credit for the three types of foreign-funded enterprises, the bank

has given priority for export-oriented and high-tech projects. Some 804 foreign exchange-earning companies and 383 enterprises with a good record in profit-making and technology have been given preferential support.

According to statistics released by the relevant department of the Bank of China, credit repayment has been satisfactory this year. From January to August, repayment totalling U.S.\$3.52 billion for normal credit was received, an increase of U.S.\$830 million more than for the same period last year.

#### Institute Helps Prospective Overseas Investors

OW0212134491 Beijing XINHUA in English  
1236 GMT 2 Dec 91

[Text] Shanghai, December 2 (XINHUA)—A research institute was set up last Saturday to provide business information for companies doing or wanting to do business abroad.

The Institute of Transnational Enterprises, initiated by the Shanghai Academy of Social Sciences and the Shanghai Association of Export Commodity, aims to encourage Chinese companies to invest and do business abroad by providing them with information and advice.

Experts said such organizations are necessary to prevent the blindness of Chinese companies conducting transnational business in foreign countries.

Shanghai has set up a total of 113 enterprises abroad with a total of 72.24 million U.S. dollars, among which 58 percent are Chinese investments.

These enterprises are scattered in the United States, Canada, Japan, Germany, Mauritius, Nigeria, Hong Kong and Macao.

#### Agricultural Chemical Production To Increase

HK2611030891 Beijing CHINA DAILY in English  
26 Nov 91 p 2

[By staff reporter Zhang Zuan: "Farm Chemicals Get Top Priority"]

[Text] Development of chemicals for agricultural use will remain the top priority for the chemical industry in the Eighth Five-Year Plan (1991-95), Gu Xiulian, minister for the industry, said yesterday. The aim is to guarantee the steady growth of farm products in China.

Major efforts would be made to increase output of chemical fertilizers, farm pesticides and agricultural-use plastic film to meet rising demand.

They include the establishment of a number of large fertilizer plants in the coming few years to increase China's annual chemical fertilizer output to 125 million tons by 1995 from the 97 million-ton planned figure for this year, Gu said.

For a long time, the country has imported a lot of chemical fertilizers every year to satisfy domestic demand in both quantity and varieties.

The minister said special attention would be paid to readjusting the shape of the fertilizer production industry in order to speed up development of compound and special-use fertilizers.

The industry had decided to produce more high quality urea in the coming few years, pushing it up to 50 percent of the country's total nitrogenous fertilizer output by 1995, from the present 34 percent, Gu said.

The output of phosphate and phosphorus fertilizers will also be increased.

By 1995, annual farm pesticides production will rise to 230,000 tons from last year's 210,000 tons, with more effective, safe and economical chemicals being produced.

As for agricultural-use plastic film, Gu said that the industry could guarantee a full supply and efforts will be stepped up to produce more durable film so as to cut farmers' costs.

The minister stressed that the industry has long considered production of agricultural-use chemicals its key task because they play an important role in raising farming output.

According to estimates, about 40 percent of the country's grain output is attributed to the use of chemical fertilizers while farm pesticides help farmers to harvest an extra 25 billion kilograms of grain, 28 billion kilograms of vegetables, 400 million kilograms of cotton and 3.3 billion kilograms of fruit each year, Gu said.

In the past 10 years, 37 percent of the industry's total 70 billion yuan (\$13.21 billion) of investment in fixed assets was spent on projects for producing agricultural-use chemicals, including development and the construction of chemical ore mines, Gu pointed out.

During the Seventh Five-Year Plan period (1986-90), the industry turned out a total of 415 million tons of chemical fertilizers and 964,200 tons of farm pesticides. The fertilizers were estimated to have helped the country to harvest an extra 800 million tons of grain and the farm chemicals were reckoned to have helped farmers to reduce losses by 120 million tons of grain during that period.

At the moment, China takes the third position in world chemical fertilizer and farm pesticides production, Gu added.

#### Article Rejects Keeping Peasants Out of Cities

HK2611031691 Beijing JINGJI CANKAO BAO  
in Chinese 10 Nov 91 p 4

["New Viewpoints of Noted Persons" column by Dai Yuanchen (2071 0954 2525), research fellow of Chinese Academy of Social Sciences: "Blind Influx of Peasants Into Cities Cannot Be Forcibly 'Blocked'"—summarized

from 15 October 1991 edition of XINAN WUZI SHANGYE BAO (SOUTHWEST COMMODITIES AND COMMERCE NEWS)]

[Text] In the past two years, there has been an endless queue of peasants coming to cities to be temporary workers or to seek jobs. The number cannot be precisely calculated; however, according to information, it is not smaller than the number of unemployed city-dwellers. Supposing that the two numbers are equal; there are at least 5 million mobile peasants working as temporary hands or seeking jobs in cities throughout the country.

Responding to the blind influx of job-hunting peasants, many cities have adopted measures to curb the entry of peasants for employment, some have issued permits to peasants for them to enter to seek jobs, and some cities have stipulated that when peasants enter, they must apply for temporary household registration and let the labor departments in the places of their temporary household registrations seek jobs for them and charge them a management fee. These administrative restrictions are the old measures which our country has used for years to restrict and block peasants from entering cities. There is an idea that the problem of job arrangement is confined to young unemployed city-dwellers and does not include peasants. However, in the rural areas, there are many people and very little farmland, and there is a limited capacity to absorb agricultural labor. The difference in benefits between urban and rural areas, and peasants' desire for the material and cultural life in cities, drive them to cities with great enthusiasm, which cannot be checked nor "blocked." The organization of the outward shift of surplus rural labor must be placed in a position as important as the arrangement of jobs for young unemployed city-dwellers; it should not be considered a different problem, nor forcibly blocked.

The country has surplus rural labor, and it is an inevitable tendency that agricultural labor will change to nonagricultural labor. In the areas with relatively developed agricultural and sideline production, at the same time as we pursue agriculture, we can hire workers to develop diversified operation, and allow them to become part-time peasants who "leave neither their townships nor their farmland." In the areas with developed township and town enterprises, peasants can work in township and town enterprises and become nonagricultural workers who "leave their farmland but not their townships." In the populous areas with little farmland and undeveloped township and town enterprises, we must still allow some people to enter cities, and let them follow the road of "leaving their farmland and townships." We must admit that this is an irreversible trend, and we can only make the best use of the situation. Using the method of a forcible "blockade" to conceal the conflict is not the real way out.



**Jiang's Inscription Presented at Anhui Ceremony**

OW2811023091 Beijing XINHUA Domestic Service  
in Chinese 1558 GMT 27 Nov 91

[By reporter Tian Wenxi (3944 2429 0823) and correspondent He Qiwang (0149 0366 2489)]

[Text] Hefei, 27 Nov (XINHUA)—A flag-giving and oath-taking rally was held this morning by the Anhui Provincial Committee of the Communist Youth League [CYL] at the work site of the new Huaihong-Xinhe project in Guzhen County to mark the start of a shock emulation drive by young people to harness the Huai He. Meng Fulin, deputy secretary of the Anhui provincial party committee, and Wang Shouqiang, vice minister of water resources, presented flags inscribed by General Secretary Jiang Zemin with the words "youth shock brigade" to the Bengbu City CYL Committee and the CYL organizations of 18 counties in seven prefectures and cities along the Huai He. The flags were meant to inspire millions of young people in the Huai He Valley to make new contributions to bring the river under permanent control and to enliven Anhui's economy.

Anhui is the main basin of the Huai He, which is more than 400 km long. On both sides of the banks are more than 40 million mu of farmland and more than 30 million people. Socially and economically the basin occupies an important position in Anhui Province. This year's unprecedented flooding disaster has once again proved that Anhui can have no tranquillity if the Huai He is not brought under permanent control. After the disaster, the party Central Committee and the State Council made a strategic decision to speed up the process of harnessing the river, and the Anhui provincial party committee and the provincial people's government, acting upon the decision, quickly worked out a strategic plan for opening up the Huaihong New River and for harnessing the main channel and tributaries of the Huai He. As a result, an upsurge in building water conservation projects has been quickly whipped up in the Huai He basin. To encourage CYL members and other young people to enthusiastically participate in harnessing the Huai He and enhance the CYL organization's role as youth shock brigade, the Anhui Provincial CYL Committee has decided to launch a shock emulation drive this winter for young people to participate in harnessing the Huai He. Taking the oath under the "youth shock brigade" flag, more than 1,800 members of the youth shock brigade attending the rally swore to respond to the call of the party, enhance the role of the shock brigade, work hard, and devote themselves to the task of bringing the Huai He under permanent control.

**Li Peng Inscribes for Power Plant Construction**

OW3011182891 Beijing XINHUA Domestic Service  
in Chinese 1317 GMT 30 Nov 91

[By reporter Pan Shantang (3382 0810 2768)]

[Text] Beijing, 30 November (XINHUA)—A ceremony to mark the start of the construction of a key state

project, the Jixian County Power Plant for the Beijing-Tianjin-Tangshan grid, was held this morning. Premier Li Peng wrote an inscription for the occasion of laying the foundation for the power plant.

The Jixian County Power Plant, jointly invested by the State Energy Investment Company, Tianjin Municipal People's Government, and Hubei Electrical Administration, will be built in two phases. The entire project calls for installing four power-generating units with a capacity of 2.2 million kilowatts [kw]. The first-phase project calls for the installation of two imported 500,000-kw power-generating units with ultra-critical parameter. The first unit is scheduled to go into production in February 1994.

Minister of Energy Resources Huang Yicheng and Vice Mayor of Tianjin Municipality Li Zhendong attended the ceremony.

**Wang Zhen Greets Reclamation Bureau Anniversary**

OW2811003591 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 27 Nov 91

[From the "National News Hookup" program]

[Text] The Guangdong Land Reclamation Bureau held a grand meeting to celebrate its 40th anniversary. Vice President Wang Zhen sent a message of greetings, praising the Guangdong Land Reclamation Bureau for its success in founding China's first rubber production base and socialist enterprises that combine agriculture with industry and commerce. [Video opens with a long shot of a large auditorium where a red-and-white banner reading "Celebrating the 40th Founding Anniversary of Land Reclamation in Guangdong" is hung across the stage; cuts to show unidentified official addressing audience]

In pioneering land reclamation, Guangdong set up a 200,000-strong contingent of workers in 1952. After four decades of construction, the Guangdong Land Reclamation Bureau has become a conglomerate of state-owned enterprises, devoted mainly to the development of tropical crops and other resources, an all-around development of agriculture, forestry, animal husbandry, fishery, and sideline production, and the comprehensive management of agriculture, industry, commerce, and trade. These enterprises have delivered a total of 1.98 billion yuan in profits and taxes to the state.

**Zou Jiahua Cuts Ribbons for Henan Key Projects**

HK2811032591 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 22 Nov 91

[Excerpts] Zou Jiahua, vice premier of the State Council, arrived in Henan to join Henan Governor Li Changchun in attending a series of ribbon-cutting ceremonies held for Henan's four key projects, including the Zhengzhou Light Automobile Plant, 18-22 November. [passage omitted]

Those attending the ribbon-cutting ceremonies also included leading comrades from relevant departments of the State Planning Commission, the Ministry of Energy Resources, and the Ministry of Machine-Building and Electronics Industry, as well as the provincial party committee, advisory committee, people's congress, government, Chinese People's Political Consultative Conference committee, and military district leading comrades. [passage omitted]

Accompanied by provincial party committee Secretary Hou Zongbin, provincial Governor Li Changchun, and others, Vice Premier Zou Jiahua and leaders of various state departments concerned also visited a number of large-scale projects where they carried out inspection and provided guidance on the spot. Provincial Governor Li Changchun also briefed Vice Premier Zou Jiahua and his entourage on the basic train of thought guiding Henan's economic development.

Vice Premier Zou Jiahua said: After inspecting several projects in Zhengzhou, Luoyang, Jiaozuo, Xinxiang, Hebi, and Anyang, I have seen with my own eyes that Henan has done an excellent job regarding both industrial and agricultural production. Henan is rich in geological and mineral resources and has great potential for industrial development.

Zou Jiahua went on: The train of thought expounded by Governor Li Changchun is a very good one which has taken into consideration Henan's actual conditions. Without taking into account both national and provincial conditions, it would be impossible for us to formulate good plans and promote economic development. We must build our national industry into a comprehensive

and omnidirectional one. The local economies are components of the national economy. Under such circumstances, it is impossible to develop a local economy into a comprehensive and omnidirectional one. Geographical, climatic, and natural conditions as well as human resources vary greatly from one area to another. Therefore, it is imperative to develop local economies in line with local superiorities. The train of thought expounded by Governor Li Changchun has embodied the overall state requirements. Regarding agriculture, we must make unswerving efforts to solve the water supply problem. It is far from easy to solve the water supply problem. Thus, we must give equal importance to coal, electric power, and water. [passage omitted]

#### **Chen Xitong Attends Water Project Ceremony**

*OW0112111291 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 30 Nov 91*

[From the "News and Press Review" program]

[Text] Troops stationed in the capital have completed their quota in the task of renovating the Liangshuihe project one month ahead of schedule; the quality of their work is excellent. Troops in the capital have actively participated in the dredging or realignment of 10 rivers and lakes outside Beijing this winter. They contributed more than 110,000 workdays and utilized some 6,000 vehicles of all types. They completed a total of 450,000 cubic meter of earth and stone.

Chen Xitong, state councillor and mayor of Beijing city; Li Jinan, deputy director of the General Political Department of the the People's Liberation Army; and leading comrades of the various services, military schools and academies, and the headquarters of the armed police attended the completion ceremony yesterday [30 November].

## East Region

### **Eastern China Develops Trans-Regional Cooperation** *OW0312075391 Beijing XINHUA in English* *0730 GMT 3 Dec 91*

[Text] Hefei, December 3 (XINHUA)—The economic cooperation network in three eastern China provinces has scored big achievements in economic development during the past five years.

Since the founding of the Nanjing Trans-Regional Economic Coordination Association five years ago, it now has 18 member prefectures and cities in Anhui, Jiangxi and Jiangsu Provinces in eastern China.

In the past five years the members of the association have signed over 2,870 contracts on economic and technical cooperation. Some 1,500 of them are for productive projects which can increase production value by over 2 billion yuan (400 million U.S. Dollars). They have also traded commodities among them worth over 13 billion yuan.

Also, a total of 969 scientific and technological advancements have been made and used in the five years. In addition, the association has founded 65 trans-regional trade and industrial networks and 86 industrial groups and joint production bodies.

The association has also worked out a general plan for the development of the trans-regional economic cooperation.

For its achievements the association has been praised and supported by the State Planning Commission and governments of the three provinces.

### **Fujian Company 'Backbone' of High Tech Corridor** *OW2811102491 Beijing XINHUA in English* *0903 GMT 28 Nov 91*

[Text] Fuzhou, November 28 (XINHUA)—The Shishi Torch New and High-Tech Corporation was set up Tuesday in the Shishi High-Tech Development Zone of east China's Fujian Province.

The corporation was jointly founded by a number of organizations in the "Quanzhou-Jinjiang-Shishi High-Tech Corridor," including the China Technology Development Company, the Xiamen Torch High-Tech Enterprise Construction and Development Company, the Quanzhou Science and Technology Development Center, the Science and Technology Development Center of Shishi city and the Xinhua Corporation of Shishi city.

The company will be one of the backbone industrial complexes of the "high-tech corridor," which has been newly set up in the northern part of the province this year.

"The high-tech corridor" has seen rapid development under the favorable investment environment of the

province, which is among the leading provinces of the country in attracting overseas funds.

As part of its efforts to promote industrialization and internationalization of newly developed high technologies, the government has so far set up 38 high-tech development zones throughout the country.

The State Science and Technology Commission has sent experts and engineers to help with the founding of the Shishi Torch High-Tech Company. The export-oriented company will be involved in the development and production of electric equipment, medical instruments and electronic products. It is expected to reach an annual output of 30 million yuan and a profit of 3 million yuan in the near future.

### **Jiangsu To Sell Some Enterprises to Foreigners** *HK2911004591 Beijing ZHONGGUO XINWEN SHE* *in English 1523 GMT 28 Nov 91*

[Text] Shenzhen, November 28 (CNS)—Yancheng, a city in Jiangsu Province, is now trying to bring in foreign investment by adopting new measures including the selling of small and medium-sized enterprises to foreign businessmen and the setting-up of a special reward fund for encouraging the introduction of foreign investment, the mayor of the city, Mr. Xu Qiyao, said yesterday at a press conference held here.

Foreign businessmen, Overseas Chinese and Hong Kong, Macao and Taiwan compatriots were all welcome to invest in some large enterprises there as well as take part in their management, Mr. Xu said. Foreign businessmen were allowed to directly purchase small and medium-sized enterprises there and they could ask for negotiations on the purchase so long as they wanted to buy the enterprise which they could solely own or run it on a joint-venture basis.

The city also founded a reward fund for those who amongst other things introduced foreign investment, developed sole foreign investment, cooperative and joint ventures and the processing of imported materials and compensation trade.

The city worked out policies aimed at encouraging foreign investment with various kinds of preferential treatment being given in terms of tax relief, utilization of land, energy supply, capital, raw and processed materials and auxiliary materials.

The city has so far approved over 80 Sino-foreign joint-ventured enterprises, more than 50 of which have started operations and include textiles, electronics and medicinal materials. The city recently signed 115 items with businessmen from Japan, the United States, Hong Kong and Taiwan with the introduction of foreign investment totalling U.S.\$100 million.



**Wu Guanzheng Investigates Surplus of Oranges***HK2911091191 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 25 Nov 91*

[Excerpts] On 21 November, after learning that the peasants of Xingan County had difficulties in selling more than 20 million kg of oranges, Governor Wu Guanzheng gave instructions on two separate occasions, demanding that the provincial government's Legal System Bureau make contact and join forces with various departments concerned in combating three malpractices and invigorating circulation. [passage omitted]

On the same afternoon, the provincial government's Legal System Bureau called a meeting attended by persons in charge of public security, communications, and some other departments across the province to study implementation measures. The Legal System Bureau also exchanged information with leaders of various cities and counties situated along the Gan Jiang and the Poyang Hu.

The provincial Communications Department and Fengcheng city are currently meting out punishment to those orange inspection personnel who have violated inspection discipline.

**Holds Talks With Bank Officials***HK2911092991 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 24 Nov 91*

[Excerpts] A ceremony to sign a summary of talks between the Jiangxi Provincial People's Government and the Bank of China's Hong Kong and Macao China Banking Group was held in Nanchang's Jinshanhu Hotel this morning.

Wu Guanzheng, Jiangxi governor, and Wang Diyan, Bank of China's Hong Kong and Macao Administration director, signed the summary of their talks at the ceremony.

Yesterday afternoon, Governor Wu Guanzheng, Vice Governor Zhou Zheping, Assistant Governor Wang Zhiquan, as well as persons in charge of the Nanchang city government and relevant departments directly under the provincial authorities, held formal talks in Nanchang with a delegation sent by the Bank of China and its Hong Kong and Macao China Banking Group, led by Wang Deyan, Bank of China chairman and president, and Wang Diyan, Bank of China vice chairman and Bank of China's Hong Kong and Macao Administration director.

During the talks, Governor Wu Guanzheng extended thanks to Bank of China and its Hong Kong and Macao China Banking Group for their support to Jiangxi. Comrades in charge of both the provincial Planning Commission and provincial Economic Affairs Commission briefed the delegation members on Jiangxi's Seventh Five-Year Plan implementation situation. [passage omitted]

Wang Deyan and Wang Diyan also spoke during the talks. They fully affirmed Jiangxi's achievements in economic construction, reform, and opening up and

said: We were deeply impressed by the profound changes we saw in the old liberated areas of Jiangxi. Jiangxi is located in the middle and lower reaches of the Chang Jiang, adjacent to coastal areas, and rich in both land and underground resources. In addition, Jiangxi is also in possession of a solid agricultural basis and a sound industrial basis, has adopted preferential policies with regard to foreign capital utilization, and has been able to offer a fine investment environment. The China Banking Group is full of confidence in making investment in and providing loans to Jiangxi.

Both sides also expressed satisfaction over and willingness to further expand their bilateral cooperation in various domains in the Eighth Five-Year Plan. [passage omitted]

Also attending the signing ceremony were: Zhou Zheping, Jiangxi vice governor; Wang Zhiquan, Jiangxi assistant governor; persons in charge of Nanchang city, Yingtan city, Wuzhou Prefecture, and Jian Prefecture; persons in charge of various departments concerned directly under the provincial authorities and some enterprises; as well as Wang Deyan, Bank of China chairman and president; Zhu Zhicheng, Wang Zhenjun, Pan Zhaolin, Wei Anshi, Xu Guowei, Li Yusheng, Li Zhaopeng, Lu Chunjun, and Shi Liang, Bank of China delegation members.

**Jiangxi Calls For In-Depth Enterprise Reform***HK0112061591 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 28 Nov 91*

[Excerpts] Our reporter learned from a provincial meeting on exchanging experiences in deepening enterprise internal reform, which opened today, that our province will soon gradually implement enterprise internal distribution, labor, and personnel systems reform, all of which have an important bearing on the future and destiny of all enterprises.

The reforms will be conducted under the auspices of the provincial party committee's Policy Research Office, Structural Reform Commission, Economic Affairs Commission, and Labor Department. The provincial government thus called for conscientiously grasping the three enterprise internal reforms in the same way as grasping the contracted responsibility system implementation in various enterprises.

This winter and next spring, at least 50 percent of our province's state-run industrial enterprises are to take initial steps; make initial breakthroughs and tangible advances; as well as achieve actual results in conducting the distribution, labor, and personnel systems reform in order fundamentally to enhance their labor productivity; increase economic results; and bring about sustained, steady, and harmonious growth of our entire provincial economy. The in-depth reform of enterprise internal distribution systems is the center of this new upsurge of reform. [passage omitted]

Enterprises must introduce competitive and risk mechanisms, implement a cadre employment system, ensure

optimal labor composition, gradually institute a staff labor contract system on the premise of safeguarding the legitimate rights and interests of both enterprises and laborers.

The provincial meeting on exchanging experiences in deepening enterprise internal reform will mainly explore and exchange specific measures for and experiences in effecting the above mentioned three enterprise internal reforms.

Persons in charge of relevant prefectural and city departments, and various provincial departments and bureaus, as well as directors or managers of a total of 100 enterprises attended the meeting.

Shu Shengyou, provincial party committee Standing Committee member and provincial executive vice governor, attended and delivered a speech at the meeting.

Assistant Governor Zhang Yunchuan and veteran comrades Zhao Dengyi and Fu Yutian also attended the meeting.

### Huang Ju Welcomes Issuance of Renminbi Shares

OW0212023291 Shanghai People's Radio Network  
in Mandarin 2300 GMT 30 Nov 91

[From the "Morning News" program]

[Text] At a signing ceremony held last evening [30 November] for the first issuance of special renminbi shares, Mayor Huang Ju said: The issuance of special renminbi shares is a major event in Shanghai's reform and opening up, as well as a major event since development of the Pudong new area began. The establishment of the Shanghai Stock Exchange Center at the end of last year and today's issuance of special renminbi shares mark further steps in China's reform and opening up. Huang Ju hopes the issuance of the special renminbi shares will further push Shanghai's stock market in an international direction and enable it to play a more important role in the country's stock market.

Shanghai Vice Mayor Zhuang Xiaotian; (Li Xiangrui), chairman of the Jiaotong Bank; (Zhang Qingshou), vice president of the China Bank of Industry and Commerce; (He Wanming), secretary general of the State Council's Production Office, among others, attended the ceremony.

In his speech at the ceremony, Liu Hongru, vice minister in charge of the State Commission for Restructuring the Economy, affirmed the results achieved by Shanghai and Shenzhen in promoting enterprises in a shareholding system. In his speech, Tang Bingwu, director of the national State Property Administration, expressed the hope that Shanghai would continue to refine laws and regulations governing the stock market and reform and improve relevant financial and accounting systems so as to create a new situation for the city's reform of the economic system and for its efforts to broaden its opening to the outside world. In his speech, (Jin Yanzhong), director of the Financial Management (?Department) of the People's Bank of China headquarters, revealed that as of the end of last year, China had issued

more than 180 billion yuan worth of securities of various kinds with a maturity period of one year or longer.

### Shanghai Discusses Social Science Five-Year Plan

OW0212134591 Shanghai JIEFANG RIBAO  
in Chinese 27 Nov 91 p 1

[Report by Wu Xiuyi (0702 0208 5669) and Wang Heting (3769 4421 1656): "Shanghai Discusses Formulation of the 'Eighth Five-Year' Plan for Work Related to Philosophy and Social Sciences—Study Important Theoretical and Practical Issues Concerning Establishment of Socialism With Chinese Characteristics"]

[Text] A conference on Shanghai's "Eighth Five-Year" Plan for work related to philosophy and social sciences was held yesterday. The conference summed up experiences gathered during the "Seventh Five-Year" Plan concerning work related to philosophy and social sciences in the city and discussed the guiding ideology, as well as specific measures, for formulating the city's "Eighth Five-Year" Plan in this regard.

Before selecting key projects to be tackled during the "Eighth Five-Year" Plan, a guide had to be issued. The basic contents of the guide have now been drawn up. Divided into three main parts, nine subparts, and 118 topics, the guide covers establishment of socialism with Chinese characteristics, reform and vitalization of Shanghai in the 1990's, and study of basic theories and disciplines. In addition, new regulations for governing projects, along with implementation measures, have also been worked out. A list of members in the review and examination group for the city's "Eighth Five-Year" Plan for work related to philosophy and social sciences was announced at yesterday's conference.

Jin Binghua [6855 3521 5478], director of the Propaganda Department of the municipal party committee, said at the conference: Today, the complicated international situation, as well as the arduous mission of construction and reform at home, places new and more elevated demands on the philosophy and social sciences front. During the "Eighth Five-Year" Plan, we should enhance the study of and propaganda on basic Marxist theories, continue to weed out harmful effects of the ideological trends of bourgeois liberalization, prevent and oppose "peaceful evolution," and win ideological ground with Marxism-Leninism-Mao Zedong Thought. In addition, we should help people augment their faith in socialism, implement the party's basic line in an all-around manner, and unswervingly press ahead on the road to developing socialism with Chinese characteristics. He pointed out: We should adhere to the guidance of Marxism; conduct thorough research in economic, political, and cultural fields; and strengthen the study of important theoretical and practical issues concerning the establishment of socialism with Chinese characteristics. We should also enhance the study of major issues related to China's economic and social development, as well as reform and opening up the outside world in the 1990's,

especially those issues concerning Shanghai. We should devote our talent and wisdom to helping vitalize Shanghai, as well as to developing and opening up Pudong. He urged all research units to strengthen their leadership over theoretical study, make concerted efforts to tackle major issues, and successfully formulate the city's "Eighth Five-Year" Plan for work related to philosophy and social sciences.

The conference was convened by the Shanghai municipal planning group for philosophy and social sciences. Liu Ji, deputy director of the Propaganda Department of the municipal party committee and head of the municipal planning group for philosophy and social sciences, chaired the conference. Pertinent leaders—including Liu Wenqing, deputy secretary general of the municipal party committee; Lu Yinghui, deputy secretary general of the municipal government; Xu Kuangdi, chairman of the Planning Commission of the municipal government; Yan Jiadong, vice executive president of the municipal party school, and Sun Gang, deputy director of the Propaganda Department of the municipal party committee—attended the conference, along with more than 200 workers of social sciences.

#### **Zhejiang International Textiles Fair Closes**

OW0212143491 Beijing XINHUA in English  
1354 GMT 2 Dec 91

[Text] Hangzhou, December 2 (XINHUA)—The fourth Zhejiang International Silk, Textiles, Garment Equipment and Technologies Fair closed today after recording an overall trade volume of over 8.8 million U.S. dollars.

The five-day fair featured the latest scientific and technical achievements related to silk, textile and garments produced by more than 20 Chinese and foreign companies.

Numerous companies, factories and institutes from Zhejiang Province actively conducted technical exchanges and trade talks with overseas businessmen during the fair. In addition, they purchased a large volume of internationally advanced silk, textile and garment manufacturing equipment from foreign companies.

The fair was jointly sponsored by the Zhejiang Provincial Center for Foreign Science and Technology Exchanges, the Zhejiang branch of the China Council for the Promotion of International Trade, and a Hong Kong international service company.

Over 100 businessmen from China, Germany, Switzerland, Austria, Spain, Denmark, Britain, Japan, Hong Kong and numerous other countries and regions attended the fair.

#### **Zhejiang Upgrades Industries Through Cooperation**

OW0212081091 Beijing XINHUA Domestic Service  
in Chinese 2116 GMT 1 Dec 91

[By reporter Xu Qun (6079 5942)]

[Text] Hangzhou, 2 December (XINHUA)—By stressing technical progress, Zhejiang's departments in charge of economic cooperation have forcefully expedited technical transformation and structural readjustment in traditional industries.

Being one of the provinces which took steps earlier to promote economic and technical cooperation, Zhejiang has set up a well integrated cooperation network. The province has attached more importance to the application of technology while approving cooperation projects. 1) It has introduced advanced technology into universities, colleges, scientific research institutes, and large and medium-sized enterprises throughout the country which have abundant technical strength, to accelerate technical transformation of its traditional production. 2) Taking advantage of the technical and production strength of key large and medium-sized enterprises, the province has organized and established a joint body of scientific research and production to encourage small and medium-sized enterprises and village and town enterprises to boost their levels of scientific and technological development. 3) The province has developed new products or tackled key problems in scientific research and carried out projects which would be difficult for a region or unit to achieve, through extensive regional cooperation or cooperation among technical, industrial, and trading sectors. According to statistics, technical cooperation projects accounted for over 45 percent of Zhejiang's economic cooperation projects in recent years.

Since last year, Zhejiang's technical cooperation projects have entered the realm of new and high technology and started to develop and establish enterprises that produce new and high-technology products, especially to promote new and high-technology projects that are developed in a coordinated manner and yield quick results [duan ping kuai de gao xin ji shu xiang mu 4252 1627 1816 4104 7559 2450 2111 2611 7309 4158]. This has stepped up the transfer of technology to productive forces; and the prospects are quite good.

#### **Zhejiang Enjoys Good Harvest Despite Disasters**

OW3011161791 Hangzhou Zhejiang People's Radio  
Network in Mandarin 1000 GMT 29 Nov 91

[From the "Provincial News Hookup" program]

[Text] Zhejiang Province experienced exceptionally serious natural disasters this year, with floods in the north and droughts in the south, but its grain harvests remained good. According to statistics compiled by the Agricultural Department, the province grew 49.02 million mu of grain crops and produced 16.49 million tonnes of grain this year, fulfilling 103 percent of the annual grain production plan and making 1991 the third high-yield year in the history of the province's grain production.

The good grain harvests were the result of great efforts to restore production in self-reliance during and after natural disasters, and to increase the output of fall grain. The bumper fall grain harvests made up for the poor



summer grain harvests. At the same time, the promotion of scientific farming has also played an important role. As compared with 1990, in 1991 the province has greatly increased the areas of high-yield grain fields with a per mu grain yield of 1 tonne, high-yield rice crops of superior strain, dry-land grain crops of new varieties, and land improved from medium-yield and low-yield plots, as well as the areas of high-yield demonstration fields and land managed under comprehensive efforts to prevent and control plant diseases and insects. It has also increased technical training programs.

The number one leaders of local party and government organizations have personally taken a hand in agriculture. Agricultural liaisons have been set up at provincial, city, prefectural, and county levels. Some counties have been selected for agricultural demonstration. Some cropland was placed under the direct command of the leaders. The disaster-stricken areas promptly restored production in self-reliance with the leaders' assistance. Moreover, local authorities at various levels in the province prepared more capital funds for grain production this year. The situation of agricultural capital goods supply has improved, and the construction of farmland infrastructure has been accelerated. Preferential measures adopted by many localities have aroused the enthusiasm of peasants for growing grain crops. All these have promoted grain production in Zhejiang Province.

### Central-South Region

#### Gao Siren Named New Guangzhou Party Secretary

HK0312025391 *Guangzhou Guangdong People's Radio Network in Mandarin* 1000 GMT 2 Dec 91

[Text] The provincial CPC Committee has decided to appoint Comrade Gao Siren as secretary of Guangzhou city CPC Committee in place of Comrade Zhu Senlin, the former occupant of this position.

#### Further on Appointment

HK0212022191 *Hong Kong THE STANDARD in English* 2 Dec 91 p 1

[By Cary Huang]

[Text] Guangdong has won a victory over Beijing by appointing another local official to take up a key position in the province, ending the year-long Beijing-initiated reshuffle of the local leadership, according to Chinese sources.

Gao Siren, a long-time southern province party official, is expected to assume the post of Party Secretary in the provincial capital of Guangzhou, a powerful position in China's richest province. Guangzhou sources yesterday told THE STANDARD that Mr Gao, currently a standing member and Secretary General of the Provincial Party Committee, will take up the post in the next few weeks, succeeding Zhu Senlin as the Party Secretary of Guangzhou Municipal Committee.

Mr Gao, in his late 50s, had served as party chief of Shaoguan city in northern Guangdong before he was transferred to Guangzhou early last year, the sources said.

Mr Gao, though little known to the public, is a reform-minded local official linked with Ye Xuanping, the boldest and most influential regional leader in China, who stepped down as Guangdong governor in May after being appointed to a ceremonial post in Beijing.

The reshuffle of the local leadership saw five local officials take up the most senior positions in the province.

Early this year, Xie Fei, a reformer from Guangdong, was appointed Communist Party chief of Guangdong province in what analysts saw as a major concession by Beijing.

#### Special Legal Department Established in Shenzhen

OW2811153191 *Beijing XINHUA in English*  
1503 GMT 28 Nov 91

[Text] Shenzhen, November 28 (XINHUA)—A special department for filing cases has been set up in Shenzhen, a special economic zone in southern China's Guangdong Province.

The goal of its establishment is to separate the filing of cases from lawsuits and legal proceedings so as to enhance the working efficiency of the court.

Approved by the Guangdong provincial Higher People's Court and established by the Shenzhen municipal Intermediate People's Court, the department is the first of its kind in China.

According to Wang Changying, president of the Shenzhen municipal Intermediate People's Court, the department will engage in filing proceedings so as to enhance the working efficiency of the court.

The Shenzhen Special Economic Zone has made great progress in the reform of its legal system during the past few years. According to Wang, Shenzhen has led China in recent years in establishing some special legal organizations such as economic dispute mediation centers and real estate divisions under higher and intermediate courts.

Wang said that more departments for filing cases will be established in basic people's courts in Shenzhen in the coming years.

#### Shantou Expansion Expected To Boost Development

HK2911072091 *Hong Kong THE STANDARD in English* 29 Nov 91 p D-4

[By Cary Huang]

[Text] The State Council's recent decision to expand Shantou Special Economic Zone (SEZ) in eastern Guangdong has provided new opportunities for development and investment from overseas, according to a local official.

Lin Xingsheng, Secretary of the Shantou Communist Party Municipal Committee, said that with the central authorities making bolder experiments with reform and pushing for the city to be further opened to overseas investors, the SEZ was expected to experience a much faster rate of economic growth in the next decade.

Mr Lin told THE STANDARD that local economic development, encouraged by the state's decision, would pick up more momentum in the future.

He said the city was expected to quadruple its economic strength over the next decade, which will double that of the national average.

The national economic development programme aims to double China's economic strength for the last decade of this century.

"This is to say by the year 2000, the gross national product (GNP) in the city will be four times what they were in the year 1990," Mr Lin said.

Mr Lin said that by the end of the century the city's gross industrial output and GNP [gross national product] would reach 24 billion yuan (HK\$ [Hong Kong dollars] 33.6 billion) and 15 billion yuan (HK\$21 billion) respectively.

He said per capita income would hit 15,000 yuan (HK\$21,000) and the city's total exports would be U.S.\$3 billion (HK\$4.2 billion).

The State Council early this month approved the SEZ's expansion from 52.6 square kilometres to 234 square kilometres.

Mr Lin hailed the move as a milestone in the city's history, deepening reform and further opening the door to the outside world.

"It (the expansion of Shantou SEZ) does not only mean the extension of the geographic area of the SEZ, it also indicates the central authorities' recognition of the successful experiment in the SEZ and demonstrates its determination to stick to the policy of further reform and opening," Mr Lin said.

He said the expansion had solved the long-standing contradiction of "one city, two systems" in an administration that was not in favour of the city's long-term development and openness.

In his speech to celebrate the expansion of the SEZ, the reform-minded official said he had always urged the local officials in the city to have liberal minds and be bolder in experimenting with reforms.

"I called on local cadres to have four 'great changes' in their minds—in the understanding of the world situation and the policy of reform and openness; in emancipating their thinking; in updating conception and in work style," Mr Lin said.

"What we (the authorities) have done in the past decade is to encourage and educate our cadres to develop a

reform-minded spirit, to emancipate their minds, to have a more urgent sense of opening to the outside world, to go all out with the economic works, and to have an idea of commodity and market competition," he said.

### Shantou Sees 'Significant Improvement' in Housing

HK2911072291 Hong Kong THE STANDARD  
in English 29 Nov 91 p D-4

[By Cary Huang]

[Text] Shantou Special Economic Zone (SEZ) has successfully reformed the socialist residential housing system, creating a significant improvement in the condition of the city's housing.

The city's urban construction, especially in housing, has experienced great changes in the past decade.

Local officials said Shantou features the largest "commercialised" housing estates (owned by individuals) in China, similar to those in Hong Kong. They are the largest and most beautiful that I have seen in China.

Shantou has led the country in reforming the socialist residential housing system and its experience has been hailed by central Chinese leaders as well as local citizens.

The achievement has also caught the attention of housing professionals worldwide. City officials were invited to address the United Nations' International Housing Year 1987 forum.

"Shantou's housing conditions have only been improved substantially recently with the reform policies. The city was among the worst in the country a decade ago," said Sun Zhenmin, director of Shantou Urban Construction Overall Planning Office.

To improve the city's poor living conditions, the municipal government decided to introduce a bold reform scheme for the housing system in 1983. Similar to Hong Kong's house ownership scheme and the public housing project, Shantou began to introduce a subsidised house ownership scheme.

Under the project, newly-built apartments were sold to residents with subsidies from government and residents' employers. The costs of the apartments were shared by the three parties with residents paying 40 per cent (and later 60 per cent) and the other two parties paying 30 per cent (later 20 per cent) respectively.

Over the last eight years, two large housing estates of more than one million square metres and more than 20,000 units were built under the scheme.

Mr Sun, who oversees the implementation of the scheme, said about 100,000 people moved in.

He told THE STANDARD that for those who are living in very bad conditions and can not afford to buy the subsidised housing, the municipal government provided

them with subsidised public housing under the subsidised public housing scheme.

Unlike most cities in China, the Shantou municipal government encourages local residents to have their own houses. During a tour around the city proper, I discovered that almost two thirds of the urban area was newly-developed and I believe a great percentage of local residents are now living in their newly-built homes.

Local officials told me that the municipal government had recently approved a blueprint for a third, 130-hectare housing estate, which if completed would meet the basic needs of those living in substandard conditions.

### **Deng Hongxun Visits Trade Fair Exhibition**

*HK0312092291 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 2 Dec 91*

[Excerpts] The preliminary exhibition of the 1991 Hainan Provincial Economic Relations and Trade Fair was held yesterday morning [2 December]. Provincial leaders Deng Hongxun, Liu Jianfeng, Bao Keming, Meng Qingping, and Mao Zhijun, and members of the organizing committee of this fair, came to examine the exhibition's layout. [passage omitted]

The provincial leaders and the organizing committee members expressed satisfaction over the exhibition hall's layout. They also offered some suggestions for improvement. For example, one should not be content with the style of a stall in introducing products, but should do propaganda on our province's [words indistinct].

### **Liu Jianfeng Views Social Security Reform**

*HK2711123991 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 23 Nov 91*

[Excerpts] The three-day provincial work meeting on reform of the social security system ended yesterday afternoon [23 November]. Provincial Governor Liu Jianfeng attended and addressed the meeting. [Name indistinct], director of the provincial Department of Labor and Personnel, and (Jiao Caiquan), deputy director of the Insurance and Welfare Department of the Ministry of Labor and Personnel [as received], also spoke. [passage omitted]

In his speech, Governor Liu Jianfeng pointed out: The provincial party committee and government's decision to convene this meeting and make arrangements for reform of the provincial social security system is an extremely important event in the process of deepening reform in our province.

He emphasized the need for leaders at various levels to put reform of the social security system in a strategic position that it deserves, further enhance their understanding of the importance, do a good job in the reform with one mind and one heart, handle properly the relationship between this reform and other reforms, and do well in the coordination of various reforms. It is

necessary to organize meticulously and make careful arrangements for the active, sound implementation of social security restructuring in our province.

He said: The social security system demonstrates the level of economic development and social construction of a country or region and is indicative of the progressiveness of human civilization. To build Hainan SEZ [special economic zone] into a region that is relatively economically developed, relatively advanced in social progress and civilization, and has relatively strong magnetism for the rest of China and other countries, it is necessary to attach great importance to reform and improvement of the social security system.

He pointed out: In order for our province to deepen reform in the economic and political system and adjust and improve the system of "small government, big society," we must change such phenomena as the government running enterprises, enterprises running the society, the government taking care of wages, enterprises taking care of security, and the government and enterprises [words indistinct] each other.

He said: The speed of the SEZ's economic construction is ultimately determined by the economic growth and the development of social productive forces. For this reason, it is imperative to establish an efficient mechanism for propelling social development and stabilizing society so as to guarantee rapid economic development and favorable operation of society. [passage omitted]

### **Public Education Campaign Reduces Fires in Haikou**

*OW0112084391 Beijing XINHUA in English 0816 GMT 1 Dec 91*

[Text] Beijing, December 1 (XINHUA)—Haikou, capital of Hainan Province, has made progress in reducing fires this year thanks to the publicity about fire control, PEOPLE'S DAILY [RENMIN RIBAO] reported today.

The Beijing-based national paper said the city's heavy fires in the first ten months of this year dropped by 33 percent in comparison with the same period of last year and the economic losses was down 52 percent.

Fires in the city went up rapidly for years running after 1988 when Hainan became a province due to rapid development.

While supervising the installation of fire fighting facilities alongside construction of buildings, the Haikou city Fire Control Bureau inspected more than 100 newly-erected high buildings.

Equipped with the fire fighting facilities in line with state standard, the bureau voluntarily helps foreign-funded enterprises to understand China's domestic fire control standard and install fire control devices.

In addition, it has set up fire fighting stations in Hainan's five economic development zones.



**Hou Zongbin Attends Agreement Signing Ceremony**

HK0212122191 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 28 Nov 91

[Excerpts] On the afternoon of 28 November, China National Petrochemical Corporation and the Henan People's Government held a ceremony in Beijing's Guoji Hotel to sign an agreement on a joint investment to build, within the Luoyang Oil Refinery, a project capable of producing 200,000 tons of chemical fiber and raw materials per year. [passage omitted]

Chen Jinghua, minister of the State Commission for Restructuring the Economy and advisor to the State Council leading group for ethylene coordination; Sheng Huaren, leading party group secretary and general manager of the China National Petrochemical Corporation; Secretary Hou Zongbin of the Henan CPC Committee; Henan Governor Li Changchun and Vice Governors Hu Xiaoyun and Liu Yuan; and others attended the signing ceremony.

General Manager Sheng Huaren and Provincial Governor Li Changchun signed the agreement.

The total investment in the capital construction of the Luoyang Chemical Fiber Project, which has been listed in the Eighth Five-year Plan, has been set at 5.36 billion yuan. After completion and commissioning, the project is expected to earn 2.87 billion yuan annually through product sales and realize 960 million yuan in taxes and profits. The project's investment repayment period is 10 years.

It has been learned that the state now has to spend more than \$2 billion every year to import chemical fibers and raw materials to meet the needs of light industry and textile industry development. [passage omitted]

**Relays Plenary Session Guidelines**

HK0312091591 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 2 Dec 91

[Text] On the afternoon of 2 December, the Henan CPC Committee held a Standing Committee meeting to convey the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and the important speech given by Comrade Jiang Zemin at the plenary session. The meeting studied and discussed the CPC Central Committee's decision to strengthen further agriculture and the rural areas. Comrade Hou Zongbin, provincial party secretary; and Comrade Li Changchun, governor and provincial deputy party secretary, gave important speeches.

All unanimously held that the Eighth Plenary Session of the 13th CPC Central Committee has fully affirmed the various basic policies of the party adopted for rural areas since the Third Plenary Session of the 11th CPC Central Committee, that the great reform in China's rural areas is a creation of the Chinese Communists, represented by Comrade Deng Xiaoping, made by integrating basic Marxist principles and China's actual situation, and that

this has greatly enriched our party in building socialist theories and practice with Chinese characteristics.

The CPC Central Committee's decision regarding further strengthening work for agriculture and rural areas passed at the plenary session fully demonstrates that the CPC Central Committee is concentrating its energies on implementing the basic line of one center, two basic points, holding fast to the center of economic development, and building socialism with Chinese characteristics wholeheartedly and with dedicated hard work.

All participants also held that this CPC Central Committee decision has thoroughly summed up China's achievements in the work for agriculture and rural areas during the 1980's, put forth the major tasks for the 1990's, and defined a series of principles and policies. They maintained that it is a programmatic document guiding China's work for agriculture and rural areas for a fairly long time to come.

The provincial CPC Committee Standing Committee meeting has made specific arrangements for the province to implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee.

**Henan Spokesman Reviews 1991 Rural Performance**

OW2911073991 Beijing XINHUA Domestic Service  
in Chinese 1417 GMT 28 Nov 91

[By reporter Wu Chengde (2976 2052 1795)]

[Text] Zhengzhou, 28 November (XINHUA)—Thanks to efforts by party committees and governments at various levels in leading their cadres and the masses to combat disasters, and to provide for and help themselves by engaging in production, Henan Province has managed to realize steady growth in its rural economy and favorable development in its commodity economy this year, despite unprecedented natural calamities, including floods, drought, hailstorms, plant diseases, and insects.

A spokesman for the Henan provincial government said today: The province's total value of rural output has once again exceeded the 100-billion-yuan mark, amounting to 115.3 billion yuan, an increase of 8.4 percent over last year. This amount includes an estimated total agricultural output of 52.34 billion yuan, an increase of 0.5 percent from last year's level, and a 16 percent increase in non-agricultural output. In total agricultural output value, output of the plantation industry decreased by 3.5 percent, while output of forestry, animal husbandry, and subsidiary industries has increased by 3.6, 7.6, and 12 percent respectively compared to last year. The province has basically managed to make up the reduction in grain production with an increased output of cash crops. It also made up for reduced output in field crops by increasing off-field production.

According to the spokesman, Henan Province's total grain production is expected to reach 30.1 billion kilograms this year, 2.93 billion kilograms less than last year; total cotton production is expected to top 866 million

kilograms, an increase of 190 million kilograms or 28.1 percent over that of last year; leaf tobacco production is expected to reach 457 million kilograms, an increase of 11.8 percent. This year's total production of pork, beef, and mutton may reach 1.4 billion kilograms, a 13.74 percent increase over last year's output. Having deepened the reform, village and town enterprises throughout the province have maintained sustained growth. With total output value from January through October this year topping 68.54 billion yuan, increasing 24.6 percent over the same period last year, they have brought about a simultaneous increase in output value, profits, and revenue, as well as improvements in economic efficiency. The per capita net income of rural residents in the province is estimated to be 535 yuan this year, an increase of 8 yuan, or a 1.5 percent growth over 1990.

#### **Henan Telephone Meeting Views Family Planning**

HK0212122491 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 28 Nov 91

[Excerpts] Yesterday evening [28 November], the provincial party committee and government held a province-wide telephone meeting on family planning work, which called for further bracing up and resolutely fulfilling this year's quota of keeping population growth at or below 16 per thousand.

Provincial Vice Governor Fan Qinchun reviewed the basic situation of our provincial family planning work this year and pointed out: This year, thanks to concerted efforts made by all levels across the province, our province has achieved marked results in family planning work. Nevertheless, a number of outstanding problems are still plaguing our provincial family planning work. For instance, family planning work has proceeded in an unbalanced manner among various areas. [passage omitted]

Fan emphatically stated: Now that there is not much time left this year, we must make redoubled efforts to successfully carry out family planning activities this winter with a view to ensuring the complete fulfillment of this year's population control quota. To this end, we must beef up all our weak links, concentrate our efforts on transforming backward villages, make strict appraisals of family planning work, and resolutely implement the one-vote veto system [as heard]. Moreover, we must define a clear train of thought for our work as well as our main tasks next year in order to further push ahead with family planning work. Next year, we must work hard in accordance with the decision of the Central Committee and the State Council on stepping up family planning work and exercising strict control over population growth, comprehensively implement and carry out the Henan Provincial Family Planning Regulations, further enhance work standards, and further improve work quality.

Wu Guangxian, provincial military district political commissar; Lin Xiao, provincial People's Congress Standing Committee vice chairman; as well as leading comrades from various relevant units directly under the provincial authorities attended the telephone meeting.

#### **Henan Government Holds Forum on Fighting Drought**

HK0212024991 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 28 Nov 91

[Excerpts] In face of a prolonged serious drought, all levels across the province must give top priority to wheat field management this winter; make conscientious, meticulous, and unreserved efforts to fight drought; keep a full stand of crop seedlings; and take immediate action to deal with the present rigorous situation. This is a unanimous view reached by leaders and specialists attending a forum on fighting drought and keeping a full stand of crop seedlings held by the provincial government yesterday afternoon, presided over by Vice Governor Song Zhaosu. [passage omitted]

After listening to the views aired by the specialists, Song Zhaosu stated: All areas must fully understand this year's rigorous drought situation concerning wheat production, firmly foster a mentality of waging a protracted war against drought, and continually step up efforts in respect to fighting drought and keeping a full stand of crop seedlings. [passage omitted]

Song Zhaosu emphatically called for close integration of farmland water conservancy works building with drought resistance and crop seedling protection this winter and stressed: All levels and all trades and professions across the province must give unreserved support to drought resistance and crop seedling protection work. [passage omitted]

#### **Henan Province Succeeds in Summer Crops Project**

HK2811100791 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 26 Nov 91

[Text] The double-high project of summer crops production, a key project of agricultural boosting through scientific and technological advancement, has achieved gratifying results. The total yield of the 5.89 million mu of wheat under the project reached over 1.47 billion kg, taking up 9.5 percent of the total wheat output of the province.

In order to improve the results of this year's "double-high" project, various cities, prefectures, counties, and townships have all set up leading groups for "double-high" development. The provincial committee of science and technology formed a technical consultative team for "double-high" development consisting of specialists and professors and gradually established a socialized service system for the project.

Nearly 1,000 leaders at various levels, over 3,700 scientists and technologists, and nearly 10,000 peasant technicians have participated in the project this year. In the meantime, a three-in-one administrative, technological, and material supplying group contracting system has been adopted which combines authority, intellectual resources, money, materials, and manpower to encourage society to serve agriculture.

Altogether 70 contracting groups have been set up this year in the 17 cities and prefectures and 60 counties and districts under the double-high project this year. This has effectively contributed to the in-depth development of the double-high project. In order to strengthen technical training and raise the peasants' quality, the double-high project areas all over the province have offered training to 60,000 grass roots technicians and over 1.1 million peasants.

### **Guan Guangfu Inspects Mountain Area Forestry**

*HK3011071191 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 28 Nov 91*

[Excerpts] In early winter, led by Guan Guangfu, provincial party committee secretary, various prefectural, city, and autonomous prefectural party committee secretaries; persons in charge of various departments directly under the provincial authorities; as well as the provincial Forestry Department director and various prefectural forestry bureau chiefs arrived in Yunyang, where they inspected the forestry development situation. [passage omitted]

In the short span of three-and-a-half days, Guan Guangfu and other leaders traveled about 800 kilometers and inspected nearly 20 forestry centers. [passage omitted]

On the afternoon of 5 November, Guan Guangfu and other comrades inspected a forestry center in Shuiping town, Zhuxi County. Guan Guangfu fully affirmed Zhuxi's efforts to have towns and villages promote afforestation. He said: It is necessary to protect, transform, exploit, and utilize mountains. Once mountainous areas have their mountains transformed into areas covered with flowers and fruit, they will certainly have good fortune! [passage omitted]

On the afternoon of 6 November, Guan Guangfu and his entourage arrived at a village-run forestry center in Guzhang village, Wachang Township, Zhuxi County, where they conscientiously listened to views voiced by local cadres. Guan Guangfu remarked: The mountainous areas have great potential. We leading comrades should turn our eyes to the grass-roots level, draw nutrition from the grass-roots level, respect and support people's creative spirit, and remold our subjective world while changing the objective world. Only by working in this manner will we become invincible! As early as last June, Guan Guangfu and Zhang Hongxiang, provincial party committee secretary general, had visited Zhuxi and conducted on-the-spot investigations with an eye to transform barren mountains there. [passage omitted]

Before leaving Zhuxi, Guan Guangfu made an ebullient speech in Taoyuan Township, in which he fully affirmed the Zhuxi spirit and called on the whole province to learn from the spirit of the Zhuxi people and work hard for five more years to have all the barren mountains transformed. [passage omitted]

### **Works on Water Project**

*HK2611124391 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 22 Nov 91*

[By station reporters Shi Long and Xia Jianhua: "Provincial and Wuhan City Leading Comrades Go To Work on a Water Conservation Project Construction Site in Wuchang County"]

[Excerpts] Dear listeners, today is 22 November. The provincial party committee, advisory committee, people's congress, government, Chinese People's Political Consultative Conference Committee, and military district leading comrades, as well as Wuhan city's leading comrades went to a water conservation project construction site in Wuchang County and participated in construction work there.

At a little past 0900, provincial leaders, including Guan Guangfu, Qian Yunlu, Zheng Yunfei, Zhong Shuqiao, Li Daqiang, Li Leng, Li Haizhong, Xu Penghang, and others, arrived at the construction site. No sooner had they stepped out of their cars than they took up spades and joined the masses there in building the water conservation project.

We saw Guan Guangfu, provincial party committee secretary; Deputy Secretary Qian Yunlu; as well as Xu Changfa, secretary of the Wuchang County party committee, shovelling soil and talking to one another. [passage omitted]

Guan Guangfu said: This year, Hubei Province has been devastated by unprecedented natural disasters. This has taught us a lesson. The experience we have summed up is: We must redouble our efforts to build farmland water conservation works and build more flood-resistance projects. The lesson we have learned is: Any area that pays no attention to farmland water conservation works building and builds no flood-resistance or drought-resistance projects is bound to find its agriculture and people's lives and property adversely affected. Therefore, the whole people as well as the whole party must be mobilized to set off another upsurge in farmland water conservation works. To this end, we must focus our attention on the following points: 1) We must formulate good plans; [passage omitted] 2) We must build farmland water conservation works in a scientific way and in accordance with the economic, natural, and ecological laws; [passage omitted] 3) Finances at all levels must keep a firm grip on financial expenditures, live a plain life, and put our limited funds into farmland water conservation works building; 4) We must mobilize and organize labor forces to build more water conservation works and carry out labor accumulation. Since the rural areas are very rich in labor resources, we must tap our great potential in that connection; 5) We must strengthen leadership over farmland water conservation work, carry out work in a down-to-earth manner, stress efficiency, and make our work benefit the people of Hubei. [passage omitted]

Li Daqiang, provincial party committee Standing Committee member and vice provincial governor, who was



also shovelling soil, spoke to us in high spirits: We must further step up water conservation works mainly in two ways: 1) Leaders must attach great importance to water conservation works building; 2) We must increase input in water conservation works building, including fund input and labor input. [passage omitted]

### Views Winter Planting

HK2711150991 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 24 Nov 91

[Text] The day before yesterday, Guan Guangfu, provincial secretary, talked to our staff reporter about winter planting, fighting drought, protecting seedlings, and filling the gaps with seedlings, while working at a site in Wuchang where a section of the Chang Jiang arterial embankment was under repair. He said:

[Begin Guan recording] The problem with winter planting is very serious now. In a considerable number of places, nothing has been planted or the planted seeds have failed to put forth seedlings, severely affecting the production of summer crops, on which the all-year harvest hinges. This is a battle which we must win. One of the ways is to have more provincial leaders go to grass-roots levels. If the heavens bless us with rain, so much the better; if not, we will have to rely on ourselves, mobilize and organize the masses, and try every possible means to fight drought and protect the seedlings. The seedlings that have already come out should be protected from drought. It is also necessary to fight drought and fill the gaps with seedlings. We should adopt some new measures in drought fighting and make up for what was missing in the winter planting. In this respect, I hope party committees and governments at various levels and cadres and masses will put their wisdom and efforts together and try every possible means to tide over the serious crisis in winter planting caused by the 100-day drought. In my opinion, as long as we have no inhibitions in our minds and are practical, even though there are many difficulties, because there is infinite latent power, wisdom, and experience among the masses and our cadres are also resourceful, we will be able to plant what should be planted and fill any gaps and lay a good foundation for next year's all-round bumper harvest, provided that we have consistent confidence in the face of difficulty, rely on the masses, and work out effective methods. The key here is to grasp winter planting to guarantee a successful harvest of summer crops. [end recording]

### Visits Central Party School

HK0212122091 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 29 Nov 91

[Text] On 27 November, Guan Guangfu, provincial party committee secretary, and Deputy Secretary Qian Yunlu, went to the Central Party School to see Hubei comrades studying there.

Comrade Guan Guangfu stated: In order to oppose peaceful evolution, first, we must successfully carry out economic work, strengthen the economy, and bring

socialist superiority into full play. Second, we must step up party building and make special efforts to train a contingent of cadres loyal to Marxism and Leninism. In training and educating cadres, we must focus on the following two aspects: 1) To encourage cadres to go to the grass-roots level and into practice to face the world, brave the storm, and enhance their abilities and skills through practice; 2) To further raise our own Marxist-Leninist theoretical standard. If we are able to successfully integrate practical training with theoretical study, we will certainly be able to effectively transform our world outlook, enhance our ability to become aware of and change the objective world, and successfully push ahead with all types of work.

### Southwest Region

#### Yang Rudai Attends Science Cooperation Ceremony

HK0212053891 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 30 Nov 91

[Excerpt] To accomplish the objectives in the 10-Year Program and the Eighth Five-Year Plan, the Ministry of Chemical Industry and the Sichuan provincial people's government held a ceremony in Beijing on 27 November to sign an agreement on cooperation in science and technology. Provincial Governor Zhang Haoruo and Minister of Chemical Industry Gu Xiulian signed the agreement. Yang Rudai, provincial party secretary, attended the ceremony and delivered a speech.

Upholding the principle of sincere cooperation, rational sharing of responsibilities, and joint endeavor, the Sichuan provincial people's government and the Ministry of Chemical Industry, by giving full play to their respective advantages in technology, funds, natural resources, and talent, jointly carry out scientific projects in chemical industry that are of great significance to the national economy and conduct such activities as development, research, popularization, [words indistinct], training, and exchange, contributing much to the planning of scientific and technological projects and [words indistinct] of education on science. [passage omitted]

#### Sichuan Congress Adopts Regulations, Appointments

HK3011070991 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 27 Nov 91

[Excerpts] The seventh provincial People's Congress Standing Committee concluded its 26th meeting yesterday.

He Haoju, provincial People's Congress Standing Committee chairman, presided over yesterday afternoon's plenary meeting which adopted a decision on the convocation of the Fifth Session of the Seventh Sichuan Provincial People's Congress, the Sichuan Provincial Regulations for Extrabudgetary Funds Management, and the Sichuan Provincial People's Congress Standing Committee Regulations on Strengthening Examination and Supervision of National Economic and Social Development Plans. [passage omitted]

The meeting also adopted the following personnel appointments:

Bia Zhenshu to director of the Sichuan provincial Water Resources and Electric Power Department;

Jiang Renchu to director of the Sichuan provincial Light Industry Department;

Hu Anrong to chief of the Sichuan provincial Pricing Bureau;

Wei Hao to president of Sichuan Province's Yaan Prefectural Intermediate People's Court;

Dong Shixiang to chief procurator of the Wanxian branch of the Sichuan provincial People's Procuratorate.

Provincial People's Congress Standing Committee vice chairmen, including Wang Ao, Wei Siqi, Zhaxi Cering, Deng Zili, Bai Shangwu, Liu Xilin, Liu Haiquan, Song Dafan, Kang Zhenhuang, Liu Yuanxuan, and Rao Yongyu, attended the meeting.

Vice Governor Xie Shijie; Ren Lingyun, provincial Higher People's Court president; and Gong Dulun, provincial People's Procuratorate chief procurator, attended the meeting as nonvoting delegates.

Jiang Zeting, provincial Chinese People's Political Consultative Conference Committee vice chairman, was also invited to attend the meeting as a nonvoting delegate.

In accordance with the decision made by the meeting, the Fifth Session of the Seventh Sichuan Provincial People's Congress will be held in Chengdu on 17 January 1992.

#### **Sichuan Launches New Phase in Housing Reform**

OW0112084791 Beijing XINHUA in English  
0834 GMT 1 Dec 91

[Text] Chengdu, December 1 (XINHUA)—Sichuan Province in southwestern China has worked out three major policies and measures to step up housing reform.

At a press conference jointly sponsored by the Sichuan provincial government and the provincial committee of the Chinese Communist Party, a senior provincial official said that measures will include gradually increasing rent, higher rents for new housing buildings, and extra rent for occupation of more residential area than standard.

Sichuan Province has in the past three years carried out experiments in housing reform of various kinds in more than 30 cities and counties.

The reform experiments have affected some one million workers and raised 600 million yuan in construction funds in the province.

The new policies have been put forward on the basis of these experiments.

According to the senior official, the new policies and measures will be implemented no later than the end of

December 1991, and encouragement and preferential policies will be given to those who implement them earlier.

The official said that readjustment of rent standards will be carried out in the housing reform. The lowest rent per square metre of living area in small-, medium- and large cities will be no less than 0.15, 0.20 and 0.25 yuan per month, without housing subsidies.

All the new residential buildings will be available first for sale and then for leasing at increased rents. Priority will be given to buyers or to lessors who are short of housing.

The rent of new residential buildings will be no lower than 0.35, 0.40, 0.45 yuan per square metre per month in small-, medium- and large-sized cities.

When allocating living space in new residential buildings, all residents will have to pay a premium or buy construction bonds.

According to the official, public-owned residential buildings will be sold at preferential prices and workers are encouraged to buy. The lowest cash price per square metre of construction area will be 100 yuan, to be paid in 15-year installments for new buildings and 10-year for other buildings.

The official said that housing construction funds will be raised in various ways including collectively-, privately- and unit-investment. Preferential policies will be given to those who have raised more than 50 per cent of the housing construction funds.

The Sichuan provincial government and the provincial party committee asked that all policies and measures put forward by the province should be implemented to step up the housing reform and to welcome the opening of the 14th national party congress with examples of the success the housing reform.

The official revealed that Sichuan Province will construct new residential buildings of 65 million square metres and 85 million square metres respectively during the Eighth Five-Year Plan (1991-95) and the Ninth Five-Year Plan (1995-2000).

During the same periods, 30 million sq metres of old and dangerous residential housing will be renovated.

Thus the average living area per capita will be 8.3 square metres by the end of this century, with about 60 to 70 per cent of workers living in flats and the commercialization of the residential housing will be fundamentally realized.

#### **Yunnan Successes in Family Planning Viewed**

HK0212032891 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 29 Nov 91

[Text] Work on family planning in this province has achieved another success this year. Since the CPC Central Committee and State Council promulgated the resolution on strengthening family planning and strictly controlling population growth in May, party committees

and governments in Yunnan have conscientiously studied and implemented this resolution, further unified their understanding, and taken solid steps to strengthen leadership over family planning.

In nine prefectures and autonomous prefectures, 53 counties have set up "population and family planning" leading groups headed by the chief party and government leaders; 68 counties in 14 prefectures and autonomous prefectures have proposed measures for implementing the resolution and made fulfillment of population control quotas an important aspect of the leaders' official career in assessment. Governments at various levels have also increased monetary input in family planning. By studying, making propaganda on, and implementing the central resolution, governments at various levels throughout the province have expedited the process of managing family planning according to law, and quotas in relation to the work on family planning have been better accomplished.

From January to September this year, the birth rate went down 10.83 percent compared to the same period last year. The multiple-child birth rate in breach of plans dropped by 31.08 percent.

#### **Yunnan Grain Output Reaches 'New Record High'**

HK0212063991 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 1 Dec 91

[Text] According to a survey conducted by the provincial rural economy investigation team in the sample areas, the total grain output of our province this year has reached 10.93 million metric tons. A new record high, this figure represents an increase of more than 350,000 metric tons over last year.

Vigorous efforts in the construction of farmland water works in the province this year have guaranteed water supplies for planting and transplanting in big villages. Most of the bigger areas in the province managed to accomplish their planting and transplanting tasks despite relatively serious drought earlier. Various localities also set high-yield examples and made vigorous efforts to popularize hybrid paddy rice, hybrid corn, the technique of row-planting, and the nursery and transplanting of corn, so that grain output could increase on a full scale in a balanced way.

The 17 prefectures, autonomous prefectures, and cities in this province—with the exception of Zhaotong Prefecture, whose grain output dropped slightly—all enjoyed increases in grain output. The average per-mu yield is seven kg more than last year.

#### **North Region**

#### **Wang Qun, Bu He Address Party Work Conference**

SK2611074891 Hohhot NEIMENGGU RIBAO  
in Chinese 11 Oct 91 p 1

[Text] The Inner Mongolia Regional Party Committee work conference opened in Hohhot on 9 October. The

main topics for discussion at the conference are to implement the guidelines of the central work conference and to study and work out plans for successfully running state-owned large and medium-sized enterprises in line with our region's reality.

The first day of the conference was devoted to the study of Comrade Jiang Zemin's important speech given at the central work conference, and Comrade Li Peng's speech, entitled: "On The Current Economic Situation and the Issue of Further Invigorating State-Run Large and Medium-Sized Enterprises."

Comrade Wang Qun presided over the plenary meeting on 10 October, and gave a speech on the current situation. Comrade Bu He also gave a speech. Attending the meeting were Zhang Dinghua, Qian Fenyong, Batubagen, Hao Xiushan, Shi Shengrong, Geriletu, and Yang Enbo.

Bu He's speech was divided into five parts. He first pointed out: It is necessary to understand fully the major significance and profound influence of the central work conference, and further enhance our sense of responsibility and urgency in running state-run large and medium-sized enterprises well. This central strategic plan is the key to building socialism with Chinese characteristics, and grasping the "key point" for promoting continued economic and social development. We must have a comprehensive and profound understanding of the principle of combining theory with practice, and give prominence to strengthening the vitality of state-run large and medium-sized enterprises and raising economic efficiency.

Bu He said: The fundamental way to invigorate state-run large and medium-sized enterprises is to emancipate thinking further, change concepts, and deepen reforms, including the comprehensive supporting reforms in two aspects; namely, external conditions and the internal reform of enterprises. He stressed: The whole party and society should make joint efforts to create a good external environment for state-run large and medium-sized enterprises. First, they should create a social environment favorable to this work and form a macro climate in which the whole party pays attention to this work and society supports it. Second, they should create a market environment favorable to the development of the socialist commodity economy. They should further deepen reform of the planning system, combine relaxation of control with rigid management, and further curtail the mandatory plan of enterprises; pay greater attention to reform of the pricing system and follow the road of gradually expanding the ratio of products marketed at the disposal of enterprises and the self-decision right of enterprises in fixing the prices of products; continue to implement the "Enterprise Law"; and actively develop various sorts of markets of essential production factors, including the markets of capital goods, funds, information, technology, labor, and real estate. Third, they should create an environment for providing comprehensive support services. Efforts should be made to establish and perfect the socialized service system in four aspects which mainly serve



enterprises, including policies, the essential production factors, commodity circulation, and social welfare benefits, and gradually change the situation in which "enterprises support the society and society has to live on enterprises." Fourth, we should create a relaxed policy environment. Continued efforts should be made to regard the technological transformation input as the investment emphasis; appropriately raise the enterprise depreciation; conscientiously supplement the working funds at the disposal of enterprises; delegate decision-making rights in foreign trade to some enterprises; continue to run enterprises implementing the "double guarantee" system successfully; step up efforts to clear "debt chains"; gradually establish large enterprise groups; and resolutely check "random levy of fares, fines, and forced donations."

The fundamental motivation for invigorating state-run large and medium-sized enterprises lies in the efforts of enterprises. Bu He called on enterprises to change the internal operational mechanism rapidly in four aspects, through in-depth reform: Further uphold and improve the enterprise contract responsibility system in management; establish a rational mechanism to regulate the interests among the state, enterprises, and workers; reform the internal distribution system of enterprises and form an encouragement mechanism of rewarding the hardworking people and punishing the lazy ones; actively promote reform of the labor and employment systems and form a competition mechanism of comparing working enthusiasm, technical ability, and contributions; unceasingly strengthen internal management of enterprises; and form a self-regulating mechanism.

Comrade Bu He also expounded on the correct handling of some related issues on invigorating state-run large and medium-sized enterprises in line with the reality of our region. First, we should properly handle the relationship between invigorating state-run large and medium-sized enterprises and developing small enterprises. On the one hand, we should be resolute and exert real efforts to guarantee the invigoration of state-run large and medium-sized enterprises; on the other hand, we should continue to guarantee small enterprises, particularly the sustained and stable development of township enterprises. It is necessary to explain further to all of society and the broad masses that the principles and policies formulated by the state and the autonomous region on developing township enterprises, and various economic sectors, including the individual; private; and "joint, cooperative, and foreign-funded" enterprises, will remain unchanged for a long time and that all preferential policies and encouragement measures will remain valid. Second, we should properly handle the relationship between the general and specific character of enterprises. The implementation of tasks and demands put forward by the central authorities must not be a mere general call and must not depart from the actual situation and characteristics of various localities and enterprises. We must not adopt one method, use one pattern, and seek "uniformity" in implementation. We must pay attention to realistically invigorating state-run large and

medium-sized enterprises, and must not passively take care of all state-run large and medium-sized enterprises without dealing with each case on its merits; in addition to paying attention to the surface work, we must also classify the work by priority, and help each and every enterprise solve problems according to their different situations; we must seek unity of step and action, separate management at various levels, and make each level take responsibility for their own work. Third, we should properly handle the relationship between invigorating state-run large and medium-sized enterprises and displaying political advantages. Continued efforts should be made to strengthen ideological and political work, realistically strengthen enterprise leading bodies, implement the party's mass line, and wholeheartedly rely on the working class. Bu He said at the end of his speech: The central authorities and the autonomous region have already defined major principles and specific measures for the new stage of national economic development. Now, the most important task is to implement them well. We must act in line with the strategic plans of the Central Committee and the State Council, enhance our spirit further, pool the wisdom and efforts of everyone, struggle in unity, and push the development of our region's economic construction and all social undertakings to a new stage.

Attending this conference were leading comrades of the Standing Committee of the regional party committee, the regional Advisory Commission, the regional Discipline Inspection Commission, the Standing Committee of the regional people's congress, the regional government, the regional committee of the Chinese People's Political Consultative Conference, and the Inner Mongolia Military District; party committee secretaries and responsible comrades of various leagues, cities, and regional-level departments, committees, offices, and bureaus; and party committee secretaries of various institutions of higher learning in the region, as well as party committee secretaries; plant directors; and managers of various enterprises, institutions, and units.

#### **Bu He Addresses Meeting on Banner Economies**

SK2611052091 Hohhot NEIMENGGU RIBAO  
in Chinese 8 Oct 91 p 1

[Text] The regional experience-exchange meeting on developing banner and county economies and strengthening financial self-sufficiency formally opened in Hohhot on 7 October.

The central topics for discussion at the meeting were to sum up and exchange experiences in the financial and economic development of banners and counties during the last few years; study and explore ways and measures to develop banner and county finance and economy further; and implement plans for developing banner and county finances during the Eighth Five-Year Plan. Through this meeting, we will be able to raise our region's work of developing banner and county economies and intensifying financial self-sufficiency to a new

level, and to create favorable conditions for realizing the three immediate fighting objectives, the Eighth Five-Year Plan, and the 10-Year Program.

Bu He, Qian Fenyong, Hao Xiushan, Zhang Cangong, Liu Zuohui, and Tu Ke; responsible comrades of the Local Budget Administration of the Ministry of Finance; and various leagues, cities, banners, counties, and the regional committees, offices, departments (bureaus) concerned, a total of more than 400 people, attended the meeting.

Liu Zuohui presided over the meeting, and Bu He gave an important speech.

In referring to regional achievements in the development of banner and county economies, and existing problems, Bu He said: The banner and county economies are important components of all economic work. In the more than 10 years of reforms and opening up, along with the development of regional economic construction undertakings, the banner and county economies of our region have witnessed rapid development. The financial strength of all banners and counties were raised to a further extent. The financial revenue from banners and counties throughout the region increased at an average annual progressive rate of 21.8 percent from 1985 to 1990; if calculated in terms of the financial resources available, the financial self-sufficiency rate of banners and counties reached 85.8 percent during the last year, up nearly 8 percentage points over 1989 and 21 percentage points higher than the average self-sufficiency rate of the whole region. In the development of banner and county economies and enhancement of financial self-sufficiency, we have already made certain achievements, and accumulated some experiences. However, we should also recognize that there are still some pending problems which are mainly manifested in the uneven development of banner and county economies. So far, there are only a small number of banners and counties whose revenues are higher than expenditures. Most banners and counties still have financial difficulties; some localities have failed to manage their existing funds well and to display fully the efficient utilization of funds; some cadres have a poor concept of the commodity economy and have failed to broaden the road of developing the banner and county economies. All these problems require our efforts to adopt specific measures to solve them conscientiously.

To change the backward situation in the banner and county economies of our region fundamentally and as soon as possible, and to realize the Eighth Five-Year Plan and the three immediate fighting objectives of the region, Comrade Bu He offered four suggestions in line with current major issues.

First, we must strengthen the building of leading bodies of banners and counties, and unceasingly enhance the level of managing financial affairs of the banner and county leading comrades. It is necessary to exert efforts to successfully build the leading bodies of banners and

counties, and select those people with practical experience and the ideology of modernization construction who have a good knowledge of the economy and management and a high sense of responsibility to the leading bodies of banners and counties. We should support them in working boldly, and enable more banners and counties to join the ranks of financially self-sufficient banners and counties as soon as possible. Second, we should establish and cultivate a socialist market system. It is necessary to grasp the establishment of the socialist market system as the major strategic task of our region's economic and social development, proceed from the reality of our region, deepen reform in circulation, and pay attention to market construction. While making continued efforts to grasp all sorts of consumption markets, we should gradually grasp the specialized markets of capital goods, funds, information, technology, labor, and real estate. Meanwhile, we should pay attention to building standardized markets; institutionalize, legalize, and standardize the trade and operational systems; and promote the sound development and smooth operation of markets. Third, we should continue to deepen reforms and create a good external environment for developing the banner and county economy and raising the financial self-sufficiency of banners and counties. Financial and taxation departments at all levels and financial and tax personnel should foster the concepts of production first and of serving the economy. On the one hand, they should take the initiative in regulating the macroeconomy and, through financial means, correctly handle the relations of distribution of interests among the state, the collectives, and individuals; promote the readjustment of the production set-up; and raise economic efficiency. On the other hand, they should gradually form a financial mechanism of a well-rounded cycle, characterized by input, utilization, increased value, and then large-scale input again. Fourth, to develop the banner and county economies and raise their financial self-sufficiency, we must promote the spirit of self-reliance and arduous struggle. While trying by all possible means to overcome the shortage of funds, we should continue to carry out deeply activities on increasing production, practicing economy, increasing revenues, and reducing expenditures. Governments at all levels should make careful calculations and keep expenditures within the limits of income, and use the limited amount of funds in places where they are badly needed for production. Leading cadres and organs at all levels must take the lead in the arduous struggle, strive to strengthen financial inspection and supervision, and safeguard financial discipline.

Bu He stressed at the end of his speech: Although we have made noticeable achievements in the work of developing banner and county finances and in enhancing the financial self-sufficiency of banners and counties, we must also recognize that our original starting-point was not high, our current existing problems are many, and the difficulties are great. Therefore, governments at all levels must strengthen leadership over this work. All relevant departments should take the initiative in

serving the development of banner and county economies, and make positive contributions to fulfilling the Eighth Five-Year Plan, the 10-Year Program, and the region's three immediate fighting objectives.

#### **Forest Coverage Increases in Qingshuihe County**

*OW0112022391 Beijing XINHUA in English  
0106 GMT 1 Dec 91*

[Text] Hohhot, December 1 (XINHUA)—The coverage rate of forests in Qingshuihe County in north China's Inner Mongolia Autonomous Region has increased from four percent in 1977 to 24.9 percent now, due to the construction of the "three norths" forest shelter belt.

A county government official said that so far the forest covers an area of 71,000 ha [hectares]. The county has controlled some 100,000 ha of soil erosion areas and improved 82,000 ha of sandy land.

The "three norths" forest shelter belt program, which began in 1978, is scheduled to be completed by the middle of the next century. It will protect 551 counties in 13 provinces, autonomous regions and municipalities from the northeast through north to northwest China, covering a total area of more than four million sq. km.

The official said the tree planting has not only improved the ecological environment in the county, but also promoted the steady increase of the grain output, which increased from 30 million kg in 1982 to 47.56 million kg in 1990.



### Commentary Protests Taiwan Shipping Measures

OW2911082091 Beijing XINHUA Domestic Service  
in Chinese 1153 GMT 27 Nov 91

[Text of "Reporter's Commentary" published in ZHONGGUO JIAOTONG BAO on 20 November: "Do Not Set Up New Obstacles to Cross-Strait Shipping Services"]

[Text] Beijing, 27 November (XINHUA)—The Taiwan transportation department recently drew up draft administrative measures for preventing mainland shipping interests with outside investments from directly crossing the Taiwan Strait (hereafter referred to as "the administrative measure"). The measure stipulates that vessels registered on the mainland will not be allowed to enter Taiwan ports. In addition, it also bans all foreign cargo ships in which Mainland China has invested, or foreign ships leased by the mainland for transporting cargo, from entering Taiwan ports. This is another obstacle set up by the Taiwan authorities to obstruct the opening of direct, two-way postal, air, and shipping services between the two sides of the Strait. Knowledgeable people on both sides of the Strait are very concerned about this new obstacle.

As is known by all, in the past few years, trade between the two sides of the Strait has grown rapidly as the number of Taiwan compatriots coming to the mainland to visit relatives, see places of interest, and do business has been increasing gradually. In 1990, compatriots from Taiwan visited the mainland more than 900,000 times, and trade between the two sides of the Strait exceeded \$4 billion. This momentum toward development is a call for urgent realization of two-way direct shipping. Because the Taiwan authorities persist in the policy of forbidding any ships to sail directly across the Strait, shipping between the two sides still remains nongovernmental and indirect, and cargo can only be shipped through a third region or on foreign ships. This method of shipping not only lengthens transportation time but also "enriches the middleman," causing great economic losses to industry and business on both sides of the Strait. Proceeding from the fundamental interests of the Chinese nation, shipping circles on both sides of the Strait have on many occasions appealed to the Taiwan authorities to remove man-made obstacles and allow direct shipping across the Strait. The mainland has stated many times that all of its ports opened to the outside world are open to all ships from Taiwan; Taiwan ships are also welcome to sail directly to the mainland. On 26 June 1991, answering a question by a RENMIN RIBAO reporter, a Ministry of Communications spokesman listed preparations the mainland had made for realizing direct shipping and again expressed the hope that the Taiwan authorities would soon allow direct two-way shipping between the two sides of the Strait. Since then, not only have the Taiwan authorities made no positive response to the mainland's expectations by allowing shipping across the Strait, but they have also banned foreign cargo ships in which Mainland China has

invested, or foreign ships leased by the mainland for transporting cargo, from entering Taiwan ports. Their political objective is to limit the momentum of developing exchanges between the two sides of the Strait; their economic objective is to shut mainland vessels out in order that Taiwan vessels may monopolize the shipping across the Strait, which has potential for further development. This unreasonable practice will only result in delaying the realization of direct postal, air, and shipping services between the two sides.

The department in charge of transportation in Taiwan asserts that the purpose of "the administrative measures" is to "see that Taiwan's economy is not obstructed and its navigation order is not disrupted." This is really an absurd statement that gives distorted interpretations and draws farfetched analogies. Vessels are merely means for transporting passengers and freight. Should the entry of mainland vessels into ports in Taiwan "obstruct" its economy and "disrupt" its navigation order, then Taiwan would absolutely not be the only region in the world experiencing such "obstruction" and "disruption," and mainland vessels would not be the only ones doing "obstruction" and "disruption" to Taiwan. Should this be the case, wouldn't Taiwan vessels' entry into the ports of other countries or regions also be doing "obstruction" and "disruption" to them?

"The administrative measures" provide that when a mainland vessel experiencing a mishap or taking shelter from disaster applies to enter a Taiwan port, the shipping agent must submit a "letter of guarantee" and "new Taiwan \$1 million in guarantee money" in advance. This provision is indeed unreasonable. As is known to all, the people of the mainland have always given timely assistance and warm reception to Taiwan vessels experiencing mishaps at sea or taking shelter from the wind in mainland ports. Many places in the mainland have set up special havens and reception centers for Taiwan vessels, which never submit "letters of guarantee" or "guarantee money." It is a humanitarian duty to aid ships in distress. To attach harsh conditions to such aid is incompatible with the accepted code of human conduct. If the Taiwan authorities have misgivings about mainland vessels, the two sides might as well assign relevant departments to hold consultations to reach agreement on rules for maritime salvage and commercial shipping services. This is in line with the vital interests of the people of the two sides and conducive to the motherland's peaceful reunification. We hope that the Taiwan authorities will do more concrete things to help promote exchanges between the people of the two sides instead of creating new obstacles to the opening of postal, air, and shipping services between the two sides of the Strait.

We have also noticed a recent statement by Mr. Jian Youxin [Chien Yu-hsin] on a relevant Taiwan department completing preparations for the opening of direct shipping services between the two sides. We hope that the Taiwan authorities will coordinate their preparations in various fields with the study and drafting of legislation on the

opening of direct shipping services and take concrete action to facilitate the opening of direct services between the two sides of the Strait.

**Commentary on 'New Barricades'**

OW2911060591 Beijing XINHUA in English  
0504 GMT 29 Nov 91

[Text] Beijing, November 29 (XINHUA)—CHINA COMMUNICATIONS JOURNAL carried a commentary on Taiwan's newly-issued regulations banning mainland or mainland-rented vessels to visit Taiwan ports.

The commentary says that in recent years, an increasing number of people from Taiwan visited the mainland to see relatives, tour, and conduct business. The Taiwan-mainland trade volume developed rapidly, the trade volume of 1990 reached four billion U.S. dollars.

About 900,000 Taiwanese people visited the mainland last year. This made it necessary to create direct sailing routes between the two sides of the Strait.

However, the regulations added new barricades to realizing the ideal situation despite the fact that sailing circles of both mainland and Taiwan appealed to remove all artificially imposed obstacles and open the cross-strait sailing routes earlier.

The commentary points out that the mainland side has several times declared that all its open ports welcome Taiwan ships. In addition, the mainland government is willing to realize direct sailing across the Strait.

The commentary says that the regulations will block the realization of direct sailing, mail and trade between mainland and Taiwan.

### Editorial on Worsening Mainland-U.S. Relations

OW0212150491 Taipei CNA in English 1403 GMT  
2 Dec 91

[Editorial published 2 December in EXPRESS NEWS, a CNA newspaper: "Another Vote on MFN"]

[Text] Taipei, Dec. 2 (CNA)—For the second time this year, the U.S. House of Representatives has voted overwhelmingly to set conditions on the renewal of Red China's most-favored-nation trade (?status. This) time, the margin is much bigger, with 409 votes in favor and only 21 against, compared with 313 for and [figure indistinct] against [words indistinct] the first House vote four months ago.

It is not speculative to interpret the increase by almost 100 votes in support of the legislation as a U.S. congressional reaction to the failure of Secretary of State James A. Baker's trip to Peking in mid-November.

The U.S. lawmakers are clearly frustrated with the Peking regime's intransigence in resisting U.S. calls for progress in the areas of human rights and weapons proliferation.

The legislation passed by the House this week will not immediately become law, as the Senate went to the year-end recess on Wednesday without taking up the measure.

The earliest time the Senate will have a chance to consider the bill will be late January.

It is even possible that the Senate may not act on the legislation at all unless the Senate Democratic leadership believe they could muster enough support for the bill to override a certain veto by President George Bush.

Whether the Democratic leadership will be able to do so would depend on Peking's actions in the next two months, specifically its signing of the Nuclear Non-Proliferation Treaty and adherence to the Missile Technology Control Regime and its release of some political prisoners as a gesture to satisfy U.S. concern about its human rights practices.

If the Peking regime is still hesitant about taking such actions, the House vote this week should send it a clear signal that the patience of the U.S. Congress is wearing thin and that it would be increasingly difficult for President Bush to save the Washington-Peking relationship from further deteriorating, much as he wants to.

This is especially true (?with) the approach of the 1992 U.S. presidential election.

Ever since the 1989 Tiananmen Square massacre, President Bush's policy towards Red China has been a target of criticism by the Democrats.

Bush will face a lot of questions about his China policy during his re-election campaign, from both liberal Democrats and conservative Republicans, if he continues his current China policy (?without) receiving concessions from Peking in the areas of human rights and weapons proliferation. Such a partisan debate on U.S. China

policy, while not [words indistinct] be a determining factor in the 1992 elections, may cast [words indistinct] on Washington-Peking relations for years to come.

### 'Peaceful Evolution' Said Promoted

OW3011122891 Taipei CNA in English 0824 GMT  
30 Nov 91

[Text] Taipei, Nov. 30 (CNA)—Foreign Minister Chien Fu [Frederick Chien] said Friday that the United States is trying to promote "peaceful evolution" in Mainland China.

"Peaceful evolution" is commonly defined by Peking leaders as the spread of the pro-democracy movement in a country. What the Chinese Communist regime fears most is so-called "peaceful evolution," Chien told a press conference.

He said the United States is trying to attain its goal by, on the one hand, denouncing Communist China as a source of instability in Asia and the Peking regime as an anachronism, and, on the other hand, by continuing to maintain friendly relations with it.

The American move will contribute to the peaceful unification of China, Chien added.

He said, however, that this does not mean Taiwan's position in the diplomatic arena will improve as a result, even though Taiwan's achievements in economic development and democratization have won international acclaim.

### Sanctions Would Affect Investment

OW3011125091 Taipei CNA in English 0818 GMT  
30 Nov 91

[Text] Taipei, Nov. 30 (CNA)—A United States plan to use the "Special 301" provision of the US Trade Act against Communist China will certainly affect Republic of China (ROC) investments on the mainland, a ranking official said Friday.

Vice Economics Minister P.K. Chiang said some of the mainland products subject to US retaliatory tariffs are made of parts and components supplied by ROC-invested plants.

If the US actually imposes a 100-200 percent tariff on these products, they will be unexportable, Chiang noted.

Communist China could become the first country to suffer retaliation under the "Special 301" clause of the US Trade Act because it fails to protect US intellectual property and patent rights.

The Office of United States Trade Representative (USTR) announced on Nov. 27 in the *Federal Register* that beer, mineral ores, textiles, pharmaceuticals, footwear, jewelry, metal products and electronic goods from Mainland China will possibly face up to U.S.\$300 million in retaliatory tariffs.



The announcement said the USTR will wait 30 days for public comments on the draft list before a decision is made on whether or not to implement the retaliatory measures.

Peking is expected to negotiate with Washington on the problem since it will have a great impact on the Mainland Chinese economy, Chiang said.

The US announcement might make some ROC investors reconsider their mainland projects, Chiang commented.

"One possible advantage the incident might bring us is that some foreign orders placed with mainland producers may be switched to Taiwan," he added.

The latest bout of trade squabbles between the mainland and the US indicates that the investment environment on the mainland is getting worse, and that foreign investors are facing greater and greater risks there, the vice economics minister concluded.

### Official Ties Direct Links to Recognition

*OW0112122291 Taipei Voice of Free China  
in English 0200 GMT 1 Dec 91*

[From the "News and Commentary" program]

[Text] Presidential Adviser Chiu Chuang-huan has proposed that Taiwan lift the ban against direct connections with Mainland China in the area of transportation, mail, and commercial activities, provided that Peking makes a very big concession.

Chiu specifies that Peking must recognize the Republic of China [ROC] as a political entity. Chiu recommends that Taiwan, Mainland China, and Hong Kong together form a regional economic bloc.

Chiu's advocacy marks another wave of calls for such opening, from an ROC political heavyweight.

He follows Judicial Yuan President Lin Yang-kang's earlier advice that direct cargo ship links and telephone calls between Taiwan and the mainland should be opened.

In related news, Kao Kung-lien, vice chairman of the Mainland Affairs Council, said on Friday that Taiwan should not open direct transportation to Mainland China unless Taiwan is given due status by mainland authorities.

Kao said: Direct transportation will undoubtedly reduce enterprises' costs for both areas by the ROC's general benefits must include political, social, and macroeconomic factors. If the mainland refuses to treat Taiwan fairly, the opening is not worthwhile. Mainland China has been reckless in blocking the ROC's foreign relations, Kao indicated. For example, it has sought to stymie Taipei's aviation ties with Canada, New Zealand, Vietnam, and Egypt.

### MAC Plans To Establish Hong Kong Office

*OW0212192691 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
1 Dec 91*

[From the "National News Hookup" program]

[Text] To uphold the policy of nonwithdrawal from Hong Kong and Macao after 1997, the Mainland Affairs Council [MAC] of the Executive Yuan is currently actively planning the establishment of an office in Hong Kong. The office will handle business in Hong Kong and Macao, as well as coordinate official communications between units of various departments based in Hong Kong and Macao.

As the Mainland Affairs Council is the highest body in charge of mainland affairs, the plan of its Hong Kong and Macao Division to set up a Hong Kong office will surely draw the attention of Communist China and Hong Kong.

After the establishment of a Hong Kong and Macao Conference in October, the Mainland Affairs Council tasked the Hong Kong and Macao Division to actively work out a plan for setting up a special office in Hong Kong to cope with rapid changes taking place on both sides of the Taiwan Strait, as well as in Hong Kong and Macao.

According to the plan, in the initial stage, the office will emerge in the form of a multipurpose activity center. It will provide space for existing units of various departments based in Hong Kong and Macao, as well as private mass organizations, to hold activities. It will also serve as a channel for expanding contact with various strata of Hong Kong society. In this way, it will be able to avoid unnecessary interference or obstruction.

### Hao: Government To Promote 'Political Miracle'

*OW3011122991 Taipei CNA in English 0821 GMT  
30 Nov 91*

[Text] Taipei, Nov. 30 (CNA)—Premier Hao Po-tsun said Friday at Chung Hsin new village that the government will continue to promote constitutional reforms while maintaining national security and social stability in order to build the nation into a modern democratic country.

Meeting a group of community leaders from Taipei and Nantou Counties at the Taiwan provincial government, Premier Hao asked them whether their lives are better than 20 years ago. They unanimously answered "yes."

Hao then said this is because the government has successfully maintained national security and promoted democracy in Taiwan to prevent communist aggression and to enable the economy to prosper.

The government will continue to promote constitutional reforms in order to create a "political miracle" in Taiwan, he added.

## Hong Kong

### Joint Liaison Group Begins Closed-Door Meeting

HK0312092591 Hong Kong AFP in English 0916 GMT 3 Dec 91

[Text] Hong Kong, Dec 3 (AFP)—The Sino-British Joint Liaison Group (JLG) began a three-day meeting here Tuesday to prepare for the smooth transition of Hong Kong to Chinese sovereignty in 1997, amid calls by local legislators to disclose details of talks.

The group held its 21st meeting behind closed doors, but observers said there would be no concrete results despite a backlog of issues.

Meanwhile, a group of 13 legislative councillors with no political affiliation urged both British and Chinese officials to disclose in future the contents of the talks.

Observers said, however, that the demand was unlikely to be met as Beijing deals only with London on matters concerning the British colony.

Meetings of the Joint Liaison Group were suspended for almost a year when Beijing and London were disputing the controversial multi-billion dollar airport project for the territory, which China feared would empty Hong Kong's coffers.

But an agreement allowing the project to go ahead was reached earlier this year and sealed during British Prime Minister John Major's visit to China in September.

The last liaison group meeting, in London in October, decided on the formation of a court of last appeal in Hong Kong to replace the Privy Council in London, but the plan was heavily criticised by local lawyers and legislators.

They objected to a plan to allow only one foreign judge on the court, along with three locally appointed Chinese judges. Critics want the territory to maintain an independent judiciary after 1997, in order to placate jittery foreign investors.

Guo Fengmin, head of the Chinese party on the JLG, has said China would not reopen discussions on the court issue in the current session, despite the Hong Kong Legislative Council's plan to debate the issue Wednesday.

Hong Kong and Chinese officials were worried that passage of the motion would put the government in an embarrassing position. Guo said "agreements reached at the Joint Liaison Group are made under the instruction of the two governments."

### Jiang Zemin Meets Hong Kong University President

OW0312064091 Beijing XINHUA in English  
0618 GMT 3 Dec 91

[Text] Beijing, December 3 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met with a delegation from the Hong Kong University of Science and Technology here today.

The delegation is led by Professor Chia Wei Woo, a well-known American scientist and president of the university.

Professor Zhou Guangzhao, president of the Chinese Academy of Sciences, was present at the meeting.

### Officials View Hong Kong Administrative System

HK0112061691 Hong Kong TA KUNG PAO  
in Chinese 1 Dec 91 p 1

[By staff reporter Chen Pei-sheng (7115 1014 4563): "Ji Peng Fei and Lu Ping Air Views Against Attempt To Discard Administration-Oriented System in Hong Kong"]

[Text] Beijing 30 Nov (TA KUNG PAO)—Ji Pengfei, member of the CPC Central Advisory Commission Standing Committee, pointed out today that the practice of establishing a permanent committee inside the Hong Kong Legislative Council (Legco) is not included in the Basic Law; any attempt to discard the administration-oriented system is a violation to the Basic Law and will be a roadblock to smooth transition in 1997. The above statement was made when Ji Pengfei met the delegation from the Hong Kong Association for Chinese Enterprises visiting Beijing today.

Ji Pengfei and Lu Ping, the Hong Kong and Macao Affairs Office director, met with the delegation of the association headed by Huang Ti-yen [7806 3321 1484] at the Hong Kong and Macao Center, Beijing today.

Ji Pengfei stated: It is a fine thing to have founded the Association for Chinese Enterprises in Hong Kong. From now on, organs of Chinese capital may contact each other through this organization and coordinate work. He also encouraged the Hong Kong Association for Chinese Enterprises to take an active part in working to establish ties with foreign businessmen and Overseas Chinese, and explain to them the "one country, two systems" principle and policies of the Chinese Government, to make contributions to Hong Kong's prosperity and stability.

Huang Ti-yen, president of the Hong Kong Association for Chinese Enterprises and Hong Kong and Macao Administration director of the Bank of China, gave a briefing on the condition of the association during the meeting. Delegation members include its adviser, Wang Pingqing, XINHUA Hong Kong Service Deputy Director, deputy heads Zhou Chuanru [0719 0278 0320], Huang Zhensheng [7806 2182 5116], Jiang Bo [3068 3134] and He Keqin [0149 0344]

0530]; Secretary-General Huang Chengxiang [7806 2110 4382]; and Deputy Secretary-General Cao Huiqing [2580 1979 0615].

Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, stated here today that Hong Kong's administration-oriented political structure has proved to be effective and is capable of maintaining an efficient and authoritative government, which is stipulated in the Basic Law. The Chinese Government will do business strictly after 1997 in accordance with the stipulations in the Basic Law.

Lu Ping pointed out that as stipulated in the Basic Law, the future political structure will be administration-oriented, and the formulation of policy is the government's affair. Regarding the future Legislative Council's nature and role, they are explicitly stipulated in the Basic Law, any changes in violation of these regulations are unfavorable to the smooth transition. The Chinese Government will regard the regulations in the Basic Law as the criteria after 1997.

He added that the future SAR's [Special Administrative Region's] administration-oriented political structure was discussed with the British side in the course of drafting the Basic Law with unanimous agreement that it is effective and will maintain an efficient and authoritative government. Therefore, any speeches that misguide Hong Kong citizens, and the idea that the Basic Law's contents can be revised prior to 1997, are absolutely impossible and violate the Basic Law.

## Macao

### Sino-Portuguese Liaison Group Meets in Macao

OW0212192991 Beijing XINHUA in English  
1519 GMT 2 Dec 91

[Text] Macao, December 2 (XINHUA)—The 12th meeting of the Sino-Portuguese Joint Liaison Group was held in Macao today.

Attending the meeting were the Chinese delegation headed by Kang Jimin, chief representative of the Chinese team of the Sino-Portuguese Joint Liaison Group and the Portuguese delegation headed by Pedro Catarino, chief representative of the Portuguese team of the liaison group.

During the three-day meeting, the two sides will discuss matters concerning the official status of the Chinese language in Macao, translation of local laws into Chinese language and employment of more local residents as public servants. They will also exchange views on Macao's participation in relevant international organizations and some major issues during the transitional period.

Kang Jimin told media after today's session that the two sides had reached an agreement on some major issues including the position of Macao as a "quasi-member" in the Asia-Pacific community.

The Portuguese side reaffirmed the promulgation of laws governing the usage of the Chinese as official language in Macao by the end of this year.

Catarino expressed the hope that the two sides would strengthen bilateral cooperation during the transitional period and speed up the process to employ more local residents as public servants.

Both side agreed to increase contacts between heads and experts from both sides of the liaison group.



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